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INSIDE EIGHT PAGES FROM SUNDAY'S

The New York Times

WEEKLY REVIEW



Prime Minister Benjamin Netanyahu and his wife Sara are welcomed by Foreign Minister David Levy (left) upon their return to Israel last night from the United States.

Netanyahu: US trip was a great success

ISRAEL and the US have set up a joint team to find Israel's missing soldiers. Prime Minister Benjamin Netanyahu said last night upon returning from the US.

Speaking to the press at Ben-Gurion Airport, Netanyahu said that before leaving the US he spoke by phone to UN Secretary-General Boutros Boutros-Ghali and discussed Israel's MIAs with him. He said the issue of the missing soldiers was raised in all his conversations with American officials.

Netanyahu also said the two countries would jointly develop and implement an early-warning system against ballistic missiles, continue to develop the Nautilus laser-guided antimissile missile, and continue cooperation against terrorism.

Describing his US trip as "very successful," Netanyahu said he found "great understanding" in the US for his government's tough policies on the peace process with the Arabs.

"They understand that a new government has been elected that has its own policy about how to bring about peace with security," he said.

Netanyahu noted that, contrary to the expectations of his political rivals, he experienced no "arm-twisting" to moderate his hardline stand on the peace process.

In fact, he said, some Arab leaders in private are receptive to his positions, in contrast to the "orchestrated rhetoric" of public criticism.

"We have received responses and contacts that are different," he said. "I propose to Arab leaders to drop the rhetoric."

During his planned visit to Egypt this weekend, Netanyahu will invite President Hosni Mubarak to visit Israel. He said his talks with Mubarak would focus not only on bilateral relations, but also on peace talks with Lebanon and Syria.

"I think the contact with Egypt is important," he said. "We want to expand it first in bilateral relations and also peace contacts with the Syrians, the Palestinians, with the Lebanese... I think Egypt has an important role."

Yesterday, Palestinian Authority President Yasser Arafat flew to Cairo and met with Mubarak ahead of Netanyahu's visit (Story, Page 2).

Netanyahu also agreed with US Treasury Secretary Robert Rubin to set up a consultant team to help speed up the privatization of government firms and shore up Israel's sagging capital markets. He noted that the business executives he had addressed "showed great interest in privatization."

Netanyahu was greeted as he disembarked by several ministers, ambassador to Washington-designate Eliahu Ben-Elissar, and an IDF honor guard. Before addressing the media, he was briefed on developments here by Foreign Minister David Levy and Defense Minister Yitzhak Mordechai. Morocco, meanwhile, turned

(Continued on Page 2)

Settlers propose mass expansion plan

EVELYN GORDON

THE Council of Jewish Communities in Judea, Samaria, and Gaza is preparing a plan for the expansion of existing settlements and the establishment of new ones which would increase the settler population by 300,000 to 500,000 people. The plan will be submitted to Prime Minister Benjamin Netanyahu, council chairman Pinhas Wallerstein said yesterday.

Wallerstein stressed, however, that the council does not plan to take any unilateral action.

"We will do everything in complete coordination with the present government of Israel," he said.

"We have not yet reached specific decisions," Prime Minister Benjamin Netanyahu told reporters in response upon returning from a six-day trip to the United States.

"If some proposal or other is presented to me I will of course consider it but you must remember that the government's policy is determined by the government and not by any outside group."

Council secretary-general Uri Ariel, however, denied that any specific building plans exist at the moment, as did council spokesman Aharon Dornb.

Wallerstein said the council's first objective would be to fill apartments standing empty in many settlements, for which the settlements say they have buyers, but which the previous government would not allow to be sold. After that, he said, the main thrust would be expanding the large urban settlements around Jerusalem and Tel Aviv, since this is where most of the demand is.

"The areas of large demand are primarily the urban areas around Jerusalem and near Gush Dan, and it is these areas that will absorb the main masses of [new] settlement," he said.

"We are constantly getting inquiries [from people interested in] the establishment of new settlements, but the plan will primarily be based on the massive expansion of existing settlements," he agreed.

Zeev Hever, chairman of Gush Eilat's settlement division, Amman. "In my opinion, we need to achieve an increase - and I'm not certain we can do this in four years - of 300,000 to 500,000 Jewish residents [in the territories]."

Yechiel Leiter, head of the council's foreign relations desk, said this focus is also dictated by the fact that most of the new building will probably be private rather than government-funded, and private investors would obviously rather build in the areas which are most sellable.

"Now that Judea and Samaria have been legitimized again, it's natural that people will want to move from the major metropolises of Jerusalem and Tel Aviv into suburban areas," he said. "And you can't redo the geography of Israel - most of the suburban areas are in Judea and Samaria."

(Continued on Page 2)

TASE, experts respond coolly to reported market reform

GALIT LIPKIS BECK

THE listless Tel Aviv Stock Exchange, as well as bankers and analysts, responded coolly yesterday to reports of a comprehensive Treasury plan to stimulate the capital markets and stem the public's flight from mutual funds, shares, and bonds.

The main index dropped for the eighth consecutive day amid mounting indications that the public is losing confidence in Israel's financial markets.

Banking sources estimated that provident-fund redemptions will reach a record high of more than NIS 2 billion in August. A Gallup survey conducted on behalf of Israel Radio indicates that about a third of provident- and training-fund investors intend to withdraw their savings by year's end.

Meitar, a mutual fund consulting firm, reported that the two-and-a-half-year-old capital-market slump has reduced mutual fund assets to NIS 14.28 billion, which in real terms equals the market's size seven years ago.

The main government proposal calls for a change in the pension arrangement approved by the previous government, in an attempt to force the pension funds to invest in the stock exchange.

Among the measures being considered are reducing the percentage of pension-fund investments that can be made in designated bonds; reducing the interest on these designated bonds to 4.2% from 4.8%, and eventually halting the issuance of designated bonds altogether.

Bankers and analysts dismissed these ideas yesterday, saying they would treat the problem's symptoms rather than its causes.

Gov't plans won't help, Page 8.

Ravitz backtracks on Bar-Ilan no-confidence threat

LIAT COLLINS and BILL HUTMAN

MK Avraham Ravitz (United Torah Judaism) has said his faction will withdraw its decision to file a no-confidence motion on the Rehov Bar-Ilan issue following his meeting with Internal Security Minister Avigdor Kahalani yesterday.

Ravitz said the outcome of his talks with the minister is that the motion is no longer necessary.

"Several important things came out of the meeting. Firstly, Kahalani agreed with me that the police must work according to regulations and avoid collective punishment and overuse of violence, although he did not admit this had been the case on Shabbat," Ravitz said. He added that Kahalani had agreed to examine statements and evidence Ravitz gathered from local residents complaining of police brutality.

The minister said after the meeting he would also look into the charges made specifically against Jerusalem police chief Cmdr. Arye Amit, although he does not believe they were justified. "There are accusations from all sides," Kahalani said. "We need time to examine them."

He also agreed to a meeting with local rabbis in the Bar-Ilan area to determine rules, Ravitz said.

Both Kahalani and Ravitz intend spending a Shabbat at the site to study the problems.

"As a member of the coalition, I don't believe we should submit no-confidence motions lightly," Ravitz said yesterday.

Meanwhile, Police Inspector-General Assaf Hefetz said the police should not be turned into a side in the battle over the opening of the street on Shabbat.

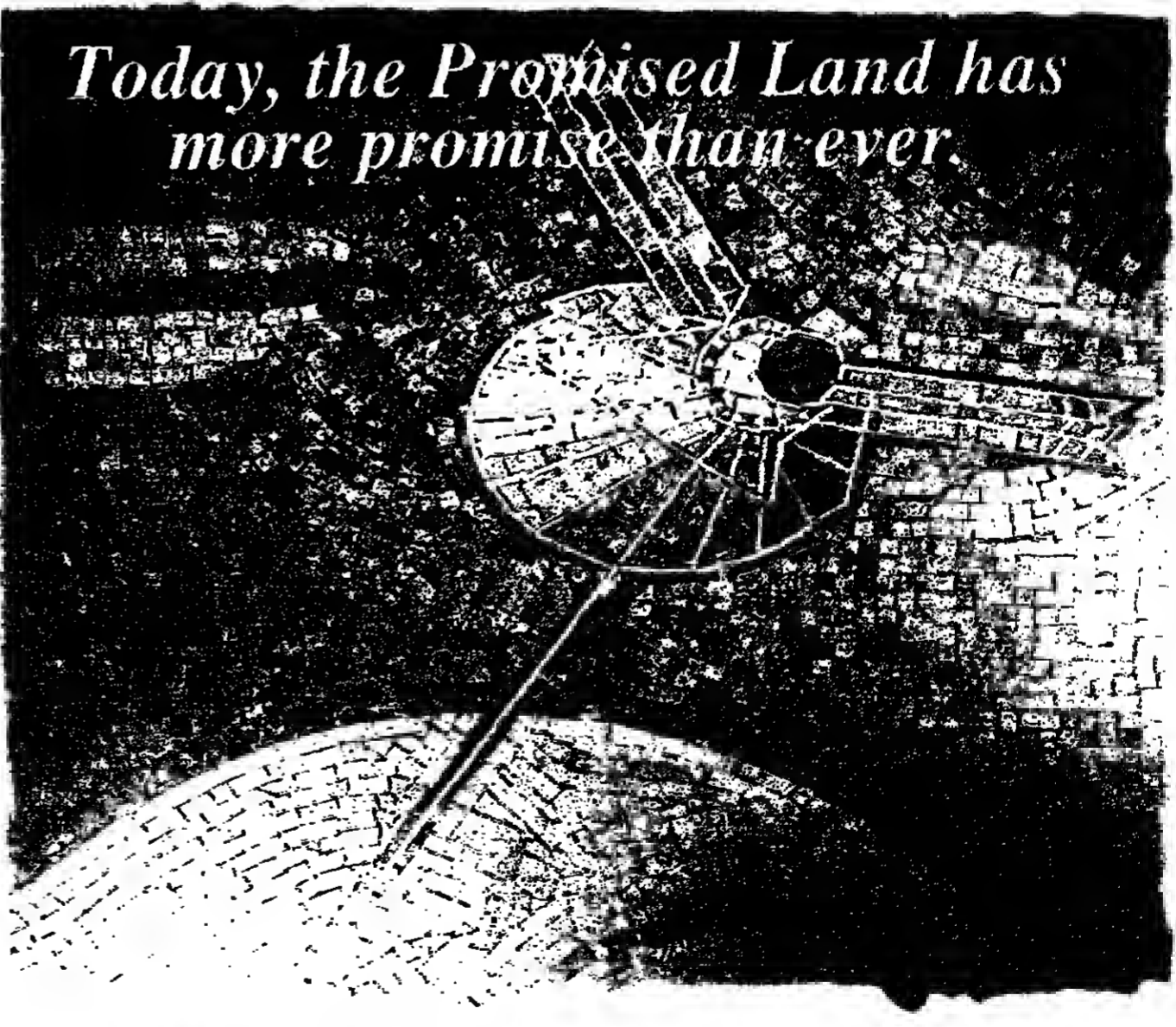
Hefetz came out strongly in support of Amit, accused by Ravitz of being "bloodthirsty" and carrying out a "pogrom" against haredi residents of the Bar-Ilan area over the weekend.

"This incident was a pogrom," Ravitz said on Channel 1. "Police entered the homes of people who did not do a thing and beat a woman, a child, and an old man. I have witnesses."

"Those are very serious, very extreme things to say," Hefetz said in reaction to Ravitz's comments. "I believe that the Jerusalem police, and their commander, have an extremely tough job and they are doing it very well. It is possible that here and there discrepancies can be found. It is possible that there is a need to check out those discrepancies. But to make such an attack on a police commander, I think that is very serious. I completely reject this type of personal attack."

Several senior officers, who asked not to be named, said they and the policemen under their charge feel they are caught in a

(Continued on Page 2)



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Gulf Arabs consider cutting ties with Israel

MUSCAT, Oman (AP) - Eight Arab countries said yesterday they would reconsider normalization of ties with Israel if its new government backed away from Middle East peace commitments.

The foreign ministers of Egypt, Syria, Saudi Arabia, Qatar, Oman, Kuwait, Bahrain, and the United Arab Emirates voiced their concern regarding Prime Minister Benjamin Netanyahu's call for unconditional negotiations. They called on the US and Russia to put pressure on Israel's government "to abide by the principles of the peace process."

The Arabs are especially concerned by Netanyahu's rejection of negotiations based on exchanging land for peace.

"If Israel persists in its inflexibility, the Arab states will have to reconsider the steps taken toward it in the framework of the peace process," the ministers said in a

communiqué issued at the end of a meeting in the Omani capital. That was a reference to moves to normalize diplomatic relations and expand ties with Israel, which had been gathering momentum until Netanyahu's election May 29.

The call for a reversal was first made last month at an Arab summit in Cairo. In the first concrete sign that the Arabs are acting on that pledge, Qatar last week canceled plans to open a trade office in Israel.

The ministers also came out in support of Syria in its negotiations with Israel on the basis of land for peace.

Security was also high on the agenda of the Muscat meetings following last month's bomb that killed 19 US servicemen in eastern Saudi Arabia, the second

attack against US interests there since November.

The ministers "stressed their condemnation of the terrorist explosion" and called for "coordinated international efforts to stop violence and terrorist acts and guarantees that those responsible be brought to justice."

They also urged steps to prevent terrorist groups from using countries as bases or as sources of funding and arms and called on Iran to stop "interfering" in the internal affairs of regional states.

Bahrain accused Iran in June of backing a plot to overthrow its government. Iran denied the charge and Syria, Iran's main ally in the Arab world, is mediating between the two states.

The statement also called on Iran to end what it called its "occupation" of three Gulf islands claimed by the UAE.

Arafat reviews peace process with Mubarak

BILBEIS, Egypt (Reuters) - Fighter planes streaked through the sky at an Egyptian air force base yesterday as Palestinian Authority President Yasser Arafat and President Hosni Mubarak met to discuss the fate of Middle East peace.

The two, meeting four days before a planned visit to Egypt by Prime Minister Benjamin Netanyahu, reviewed an air force graduation ceremony before holding talks at Bilbeis, 55 km northeast of Cairo.

Reporters were taken from the air base before Arafat and Mubarak ended their meeting, but the Palestinian leader said later they focused on promoting the peace process.

"It was a chance for me to meet Mubarak and to discuss the situation and the changes in the region and support the peace process and protect its continuity," Arafat told reporters at Cairo airport.

Before settling down to talk peace, Arafat and Mubarak watched eight fighter planes scramble into action as the theme music from the movie *Superman* blasted across the base. Jet bombers strafed an imaginary target.

Apache helicopters flew across a smoky horizon in diamond formation against a backdrop of pounding dance music, and three groups of fighter jets looped through the sky to the music of the "Blue Danube" waltz of Viennese composer Johann Strauss.

Weizman expresses concern at comments by Arab leaders

PRESIDENT Ezer Weizman said yesterday he is disturbed by comments made by Arab leaders following the change of government here.

Weizman expressed his concern during a visit to the Golan, where he met with residents and local council heads.

He stressed that his visit was not connected with any recent political developments in the country or the region. Nevertheless he expressed his feelings about recent comments made in the Arab world.

"They disturb me, they really do," he said. "We have had peace with Egypt for the past 16-17

DAVID RUDGE

years and the situation with Egypt, even before the past few months, has been less than good."

He intimated that there is room for self scrutiny on the part of both Egypt and Israel.

Weizman also noted that Egyptian Foreign Minister Amr Moussa is due to visit Moscow soon, and signs that the Russians want to become more involved in regional issues.

On the Syrian issue, Weizman reiterated that, in his opinion, President Hafez Assad had made a mistake, but still hoped that he would take steps to promote the

peace process.

"If Assad did not respond to my messages in the past, it is his problem. I won't send him any more messages," Weizman said. "I told some mutual friends of his and ours what in my opinion was desirable for him to do, but he preferred not to. We'll just have to wait and see."

Nevertheless, Weizman is still optimistic about the prospects of peace with Syria. "We will reach a peace agreement with Syria. It may take more years than we think, and the solution may be different, but both sides have to reach this, because it is in their best interest," he said.

Netzarim road partially opened to Palestinian Police

ARIEH O'SULLIVAN and news agencies

THE IDF announced yesterday that the Palestinian Police is now again allowed to use the Netzarim road in the Gaza Strip, which had been blocked more than two weeks ago by Jewish settlers fearing for their security.

The road, which had been closed since the November 1994 suicide bombing by a bicyclist which killed three soldiers, was to have been opened on June 27. But residents of nearby Netzarim blocked it, vowing they would never allow Palestinians to use it again.

However, the IDF Spokesman said that Palestinian policemen are now being allowed to pass on the road "every few hours," provided this is coordinated beforehand and done with the an IDF escort.

"This is done to provide a maximum sense of security to the residents of Netzarim," an army statement said. It added that

Palestinian VIPs are still being barred from using the road, south of Gaza City.

Palestinian Brig. Saeb Ajez said the agreement to open the road to Palestinian forces was reached with the IDF on Saturday.

"It seems the settlers consider the new Israeli government as their government and act as if they brought it to power, but I found that the army rejects this mentality and is committed to the signed agreements," Ajez told Reuters.

He added that the opening was a victory for the PLO-Israeli peace agreement and that the road would gradually be opened for all Palestinians.

A spokesman for the Netzarim residents claimed that the arrangement has always allowed for Palestinians to pass on the road with an IDF escort, and that there is nothing new.

Poll: Most US Jews approve of Netanyahu

MARILYN HENRY NEW YORK

ALTHOUGH they would not have voted for him, a majority of American Jews have a favorable opinion of Prime Minister Benjamin Netanyahu, according to a poll released last week.

Fifty-nine percent of American Jews would have voted for Shimon Peres had they been eligible to cast ballots, according to the poll. However, 62% said they had a favorable opinion of Netanyahu.

The poll of 860 American Jews was conducted July 2-6 for the Israel Policy Forum, which was established in 1993 to support the peace policies of prime minister Yitzhak Rabin.

According to the poll, 81% said that in general, they approve of the peace process initiated by Rabin. A comparable number also said they think the peace process will continue, although at a slower rate; 11% said they think Netanyahu will bring the peace process to a halt.

Seventy-two percent also said they expect Netanyahu to maintain good relations with the US.



Transportation Minister Yitzhak Levy (left), Mordechai Virshubsky, chairman of the Disabled Persons' Roof Organization, and Batya Drori, the organization's director, display the poster for a campaign being launched today to prevent drivers from parking in spaces designated for the disabled. The poster reads "Don't park in my space, you wouldn't want to be in my place." (Yisrael Hadarot)

Opposition, Palestinians lash out at plan to boost settlements

OPPOSITION parties and Palestinians reacted angrily to the plan by the Council of Jewish Communities in Judea, Samaria, and Gaza to increase the population of the territories by up to 500,000.

Hassan Asfour, director of the PLO's peace negotiating office, told Reuters: "I do not think the Palestinian people will stand hand-cuffed before this settlement assault... The Palestinian people will defend strongly their land and will not allow a small group of arrogant people to destroy their ambitions or national goals."

Asfour said the world community has a stake in preventing settlement expansion.

"The case is not only the Palestinian case. The world community shoulders responsibility. I don't think anybody has an interest to push things forward towards a catastrophe," he said.

News agencies

Palestinian Finance Minister Mohammed Nashashibi blasted the proposal as a threat to the peace process.

"Settlements and peace are two opposing lines; they do not meet," he said.

Both Peace Now and Meretz reacted angrily to reports of the plan, charging that it violates Netanyahu's promise to continue the peace process.

"Adding hundreds of thousands of settlers, whether in new settlements or in the expansion of existing ones, will be the death of peace," said MK Ran Cohen (Meretz). "This would be returning to the recipe of total conflict with the Arab world."

MK Dedi Zucker (Meretz) added that the council's proposals will prove a greater

political challenge to Prime Minister Benjamin Netanyahu than his recent trip to the US. "Only a negative response to the plan will prove that the government intends to try to find a diplomatic solution," Zucker said. "A positive response... means a return to a policy that will turn Israel into Yugoslavia."

Labor MK Benjamin Ben-Eliezer said the addition of hundreds of thousands of settlers would mean "wiping out the political process" with the Palestinians.

Ben-Eliezer said Netanyahu, who returned from the US yesterday, would have to take action.

"I imagine he will have to go and deal with the basic question — yes, there will be a continuation of the political process, or there is no continuation of the political process," Ben-Eliezer told Israel Radio.

Palestinian students said less favorable to independent state

JON IMMANUEL

STUDENTS are about twice as radical as the Palestinian population as a whole, but they are less in favor of an independent Palestinian state, according to a poll by the Nablus-based Center for Palestinian Research and Studies.

This is explained, the pollsters say, by their disillusion with Palestinian democracy, and a feeling that some kind of unity with Jordan would provide more democracy.

The poll, conducted among 1,060 students from Bir Zeit, An-Najah (Nablus), and Bethlehem universities in May, shows that while 21 percent of the general population favors "armed operations," 58% of students support them.

While 81% in general favor continuing the peace process, only 42% of students support it. While 32% of the general population think the Palestinian Covenant should not have been amended, 77% of the students oppose amendment.

Students are much more concerned than the general population by the failure of the Palestinian Authority to live up to democratic norms.

While 31% of the general population feel there is less freedom of speech than before the arrival of the PA, 64% of students feel that way.

Consequently support for some kind of unity with Jordan is increasing. While 57% of students support an independent Palestinian state, 26% now support a Jordanian-Palestinian confederation or a complete union (and 17% support another position).

In previous polls support for a Palestinian state among students increased in 1994-1995 from 71% to 78%.

Support for a Palestinian state among students is now lower than among the general population, which in previous polls voted from 60% to 66% in favor of complete independence.

The poll's margin of error is 3%. Differences in responses among the three universities were minor.

Amit. It's a good sign that both sides are attacking me

BIL HUTMAN

JERUSALEM District police chief Cmdr. Arye Amit has again found himself in the middle of a storm, and as in the past, he appears to be enjoying every minute of it.

Hardy MKs accused him of being "bloodthirsty" and ordering his men to break bones at the Shabbat demonstrations on Jerusalem's Rehov Bar-Ilan. Meretz leaders said he was violating their civil rights by trying to hunt their counterprotest.

For Amit, 46, the criticism is an indication that he did his job correctly. "I think it's a good sign that both sides are attacking me," he said in a telephone interview yesterday.

He strongly denied accusations that police used excessive force to contain the unrest, but said he was not surprised by the criticism, including that of MK Avraham Ravitz (United Torah Judaism), who accused him of

carrying out "rogue" operations against the protesters.

"It's not the first time he has attacked me," Amit said. "I am embarrassed that MKs could make such accusations. I am not just talking about myself. Jerusalem police as a whole have a big responsibility on our hands."

Amit said he heard a new phrase from the crowd of haredi demonstrators on Shabbat: "Police, they just called me Nazi, now they are saying I should die of cancer. It doesn't bother me. I have a job to do, and I do it."

"I have received dozens of phone calls of encouragement today," Amit said. He said a group of senior haredi leaders even visited him "to apologize for the behavior of the protesters." He declined to give their names.

"The true leaders of the haredi community know we are doing the job," he said.

Amit expects more unrest on Rehov Bar-Ilan on coming weekends, but also cautioned that the situation should not be blown out of proportion. "We have known tougher Shabbatot in the past," he said.

"Politicians will do anything to make headlines," said a senior police officer close to Amit.

But what is less talked about is that police brass also like to make headlines. Those in the race for high posts in the force never miss a good opportunity to draw their bosses' attention by making the news.

Amit is considered the top candidate to replace Inspector-General Assaf Hefetz when his term is up in about a year. He is also considered one of the officers who enjoys the limelight the most.

SETTLER

(Continued from Page 1)

"However, our information is that there's been a demand by people to move even into areas like Kiryat Arba — and our job is to answer that demand," he said.

Israel Radio reported that the council's plan also includes eight to 10 new settlements, though council officials all refused to state a specific number.

However, Leiter confirmed that new settlements might be necessary to fulfill the council's strategic goal of preventing a Palestinian state. The only way to prevent such a state, he said, is to ensure that there is no territorial contiguity between major Palestinian population centers, and this means new settlements might be needed in certain areas with large Palestinian populations.

However, he said, any new settlements would only be in Area C, which, under the Oslo Accords, is under complete Israeli control. This area constitutes about 73% of Judea and Samaria.

Defense Minister Yitzhak Mordechai said the government has not debated any settlement plans and that he has no knowledge of any new plans.

Agriculture and Environment Minister Rafael Eitan, meanwhile, called for hundreds of thousands of people to move to Judea and Samaria. He said he would do his utmost to ensure the future of the settlers by trying to add to their number.

David Harris contributed to this report.

RAVITZ

(Continued from Page 1)

no-win situation. No matter what they do at Rehov Bar-Ilan, they are sure to incite one side or the other.

Hefetz noted that "stone-throwing is very dangerous. If someone is hit in the eye, he can lose an eye. We had injured policemen [from the weekend riots at Rehov Bar-Ilan]."

"In order to enforce the law you sometimes have to use force, and at times, a great deal of force," Hefetz added. "And when you use force, sometimes people who shouldn't be injured are injured. But those are only extreme exceptions."

Meanwhile, Jerusalem Magistrate's Court yesterday remanded two haredi youths for two days for suspected disturbances in the Saturday evening violence on the street. Another seven youths and three adults were released on bail. All the suspects denied the charges against them, which included throwing rocks at policemen and disturbing the peace.

Itim contributed to this report.

NETANYAHU

(Continued from Page 1)

down a request from Netanyahu to land in Rabat on his way back from Washington, a Foreign Ministry source said last night.

"The Moroccans not only rejected the feelers [put out by Israel], but also immediately went to the media with the story," the ministry source said. "This is an indication of how strongly they feel rejected" by Netanyahu.

Another source suggested that Netanyahu had been refused landing rights by Rabat due to pressure from senior officials in Egypt and Syria, linked by his statements on the peace process.

But spokesman Shai Bazak denied the report. Speaking after the prime minister's news conference, Bazak said: "There never was any such thing."

DRIVE CAREFULLY

Three die in road accidents

THREE persons were killed and four others injured in four road accidents in different parts of the country yesterday.

A youth from Tulkarm was killed and two others were moderately injured early in the morning when their car plunged over a bridge during a police chase. A patrol car noticed that the vehicle, in which five youths were sitting,

was tailing other cars outside a shopping center near Kfar Sava. Additional police cars were alerted and began chasing the vehicle, which overturned several times before plunging. One of the passengers is believed to be missing and another was picked up unhurt.

Also yesterday morning, a 27-year-old driver was killed instantly when his car overturned into a

ditch on the Binyamina-Pardes Hanna road. The car swerved suddenly for reasons that are unclear. The driver's name has not yet been released.

Seventy-year-old Kadria Kadari was killed and her 75-year-old husband was slightly injured when the jeep in which they were riding reversed into a wall in the village of Nahf near Karmiel yesterday evening. Galilee police are investigating the cause of the accident.

At Beit Dagan, a pedestrian was injured by a car while crossing the highway. He was admitted to Assaf Harofeh Hospital in serious condition. (Itim)

RAYA LIVNEY

has passed away. She bequeathed her body to science. The funeral will take place at a later date.

The Family

אשר חיים 1550

Histadrut declares 10-hour general strike for Wednesday

THE Histadrut parliament yesterday approved by a large majority the executive's decision to hold a general strike on Wednesday, from 6 a.m. to 4 p.m.

The Histadrut leadership decided to shorten the warning strike from the 24 hours announced in Histadrut Chairman MK Amir Peretz's ultimatum to the Treasury last week.

The change followed objections from executive members to striking before the government has actually taken any steps, or before negotiations. In addition, Histadrut legal advisers suggested that a 24-hour strike might not stand up in court, if challenged.

The strike will be called off, by Tuesday, Finance Minister

MICHAL YUDELMAN

Dan Meridor responds to Peretz's call to open negotiations over a fairer distribution of the draconian economic measures among all sectors of the population.

Private employers intend to seek a court injunction against the strike, which will cost the economy an estimated NIS 400 million.

Doron Tamir, chairman of the employers' labor committee, said the strike is illegal because it is not based on any labor dispute.

"I have no doubt that the court will give us the injunction we request, based on a previous court ruling. There is a signed agreement here, which the Histadrut is violating in this illegal and unne-

cessary strike, which will only cause damage to those who are the most needy," Tamir said.

Histadrut Treasurer MK Haim Oron warned Meridor not to infringe on the pension rights of hundreds of thousands of workers, following yesterday's reports of a new government plan to worsen pension terms.

The present pension agreement was reached after prolonged negotiations, in which the workers renounced a lot of benefits, Oron said. "It's an illusion to think one can save the stock market by damaging the pension rights of the workers," he added.

Oron asked the Knesset Finance Committee chairman for an urgent debate on the issue.

Ex-Mossad agent convicted of cocaine smuggling

A FORMER Mossad agent, who was sentenced in Venezuela for smuggling over 70 kilograms of cocaine, to phoney diplomatic pouches, was convicted of the same charges by Tel Aviv District Court yesterday.

Ya'acov Rimon returned here after serving three-and-a-half years in a Venezuelan prison. He had told the authorities there that he was acting as an emissary for Israel, but investiga-

RAINE MARCUS

tions revealed he had left the Mossad some years earlier, and his explanations that the diplomatic pouches containing the cocaine, intended for distribution in Israel, were state property, were discovered to be false.

After being released on parole, Rimon left Venezuela for Israel, where he was rearrested on the same charges.

Initially, he was released on bail, but later he was remanded until the end of legal proceedings.

He had argued that he had already served time in Venezuela and should not be tried again.

But the district attorney thought differently and he was convicted on charges of possession and attempted smuggling of drugs and forgery.

Reserve officer sentenced for helping men evade service

AN IDF reserve captain was sentenced to three months' community service by Tel Aviv Magistrate's Court yesterday on charges of helping reserve soldiers in his unit evade call-ups in return for loans he failed to repay.

Asher Vaknin, 33, of Ramat Gan, former commander of a reconnaissance unit, was charged with receiving bribes, fraud, forgery, and using a forged document. However, he reached a plea-bargain agreement with the district attorney and charges were reduced to breach of trust and fraud.

The indictment lists a series of incidents in which soldiers paid Vaknin sums of money, on the understanding that they would not have to do reserve duty and

RAINE MARCUS

that they would be paid back in full.

In one case, a reserve sergeant deposited NIS 40,000 in Vaknin's bank account. He was promised that the money was simply a loan, but in fact Vaknin failed to pay him back. Another soldier lent Vaknin NIS 30,000, after the latter said he would be repaid in two days. During the two days, Vaknin relieved him of his reserve duties.

An additional charge cites a soldier who gave Vaknin blank checks, which were filled out by the defendant to the sum of NIS 54,000. Vaknin repaid the soldier with bad checks.

The officer's lawyer, Dan Qual, said that the offenses had been committed nearly three years ago because of his client's dire financial straits. He had no intent to steal the money, said Qual, and had promised to repay his debts.

In sentencing Vaknin, Judge Nira Lidsky said he was not a criminal but had simply found himself in "heavy debts from which he could not find a way out." "I understand that the defendant's dire-straits were caused by the collapse of his family's business. I also understand the suffering he has been through and the shame."

If given a prison sentence, he would not be able to pay his debts, Lidsky concluded.

Woman gets 11 years for stabbing girlfriend to death

RAINE MARCUS

A WOMAN who stabbed her girlfriend to death in a drunken frenzy was imprisoned for 11 years by Tel Aviv District Court yesterday.

Helena Morizova, 27, stabbed 25-year-old Oksana Puchka one night in April after a birthday party at their apartment in the city's Rehov Sheinko which ended in tragedy.

The two had worked as prostitutes in Ramat Gan's Diamond exchange district and were here illegally from their native Russia, the court heard.

On the night of the killing the two invited others to their party and they all got drunk. Puchka and Morizova had an argument, during which the latter held the blade of a kitchen knife to her girlfriend's neck. Puchka died from one stab wound. When

police arrived at the apartment they found Morizova, still drunk, in a hysterical state. She could not be interrogated until late the following day.

The District Attorney's Office initially indicted her on murder charges, but later reduced the charge to manslaughter since it was proved there was no intent to cause death.

Judges Amnoo Strashnov, Ze'ev Hammer, and Shelley Timen took the defendant's personal circumstances into consideration when sentencing her. The fact that she was inebriated at the time of the killing was not a reason to hand down a lenient sentence, the judges summed up, but they did take into consideration her full confession and the fact that she would serve a prolonged prison sentence far from home.

Police asked to probe general's change of testimony

EVERLYN GORDON

THE police should investigate why Maj.-Gen. Ze'ev Livne changed his testimony regarding a fellow officer's alleged negligence, the Movement for Quality Government in Israel demanded in a letter to Attorney-General Michael Ben-Yair yesterday.

The issue arose out of a petition to the High Court of Justice against the appointment of Col. Moni Horev - who is under indictment for negligence leading to the death of a soldier - to head the IDF Officers Training School.

The indictment was based in part on Livne's testimony that, according to standard IDF procedure, Horev was the person responsible for ensuring that his soldiers were aware of safety regulations relating to the handling of grenades - regulations which, had

they been observed, might have prevented the death of Yonai Shoshan.

During a hearing on the petition, however, Horev said he planned to submit evidence to Judge Advocate-General Uri Shoham showing that he was not the one responsible for ensuring that the safety regulations were known, in an effort to persuade Shoham to cancel the indictment. One of the witnesses he said would testify for him was Livne.

The movement demanded that the police investigate what had caused Livne to change his mind - whether he lied the first time around, or whether he is now being pressured to change his testimony.

The movement also asked Ben-Yair to order Shoham to cancel the hearing he plans to give Horev, saying there is no precedent for granting a hearing after an indictment has been filed.

The hearing is especially suspect, said movement chairman Eliad Shiraga, because Horev showed no interest in it until the petition was filed. Horev declined to testify before the investigating judge on whose report the indictment was based; and he did not request a hearing either after the judge's report was published in February or when the indictment was filed in May.

Only last week, after the High Court suggested that he not take over the officers' school until after his trial, did Horev ask for a hearing to try to get the indictment canceled, Shiraga noted.



A haredi resident of Jerusalem reads a wall poster, which appeared yesterday, attacking the police and calling for continuing demonstrations on Rehov Bar-Ilan this Shabbat. (Brian Hender)

Bnei Brak haredim demand road closures near secular neighborhood

HAREDIM are now demanding that several roads in the Kiryat Herzog neighborhood of Bnei Brak, which borders on the largely secular neighborhood of Pardes Katz, be closed on Shabbat and holidays.

Kiryat Herzog neighborhood committee chairman Moshe Klein, who has declared his candidacy for mayor in Bnei Brak's next elections, said the request relates to two main streets: Rehov Kubersky and Rehov Ganitovsky, which should be totally closed; and a third street, Abaranel, which contains numerous synagogues and should be closed during prayer times.

"These are streets on which at least 90 percent of the residents are religious or haredi, and we have every reason to demand

the closure of the roads on Shabbat and holidays," Klein said.

He said the committee had submitted its request to Bnei Brak's appointed city council, headed by Amos Mar-Haim, and is awaiting his reply.

Klein said that if their request is not granted, the residents would begin demonstrating this Shabbat, "in a manner no less harsh than the demonstrations on Rehov Bar-Ilan [in Jerusalem], until the matter is taken care of."

"We will give Meretz activists, should they decide to come, the same welcome they got in Jerusalem," Klein said.

The area has seen pitched battles between secular and religious residents over a

request to close another neighborhood street, Rehov Abramsky. In the end, the road was closed.

Meretz MK Ran Cohen said it is clear that what is happening with regard to Rehov Bar-Ilan and other streets in the country is directly linked to the recent election results, and constitutes a cynical attempt by haredi leaders to take advantage of their political power to force their way of life on the rest of the country.

"The secular public has to understand that this battle is not just Meretz's battle, nor is it limited to Jerusalem," Cohen said. "Only massive action by secular residents will assure success in the battle and will allow them to live as they see fit." (Itim)

Fire destroys Moscow synagogue

Jerusalem Post Staff

A BUILDING housing a synagogue and Judaic Studies Center in the Kunseva section of Moscow was razed to the ground by fire on Friday night.

All 50 students and worshippers who were in the wooden structure at the time were safely evacuated together with the Torah scrolls. However, thousands of valuable books and extensive equipment were destroyed in the flames.

The center was founded in 1989 by renowned Rabbi Adin Steinsaltz and was the first Jewish institution of learning officially permitted to function during the Glasnost period. Hundreds of worshippers flocked there during holiday prayers and celebrations.

When the fire broke out, a seminar of Jewish communal workers from cities and towns throughout the CIS was taking place in the building. A spokesman for the center, also known as the Mekor Haim Institution, said they would probably return to their native cities and apply what they had learned so far. The participants spent the Shabbat with the Torah scrolls on the grassy hill outside the center.

Moscow police are investigating the cause of the fire. Center director David Palant, who refused to speculate on the source of the fire, said: "Russian Jewry has been through so much in this century and has somehow survived. Against that backdrop, this fire is only a minor setback."

In Jerusalem, Steinhilz, who was recently given the title of spiritual leader of Russian Jewry and spends much of his time in the CIS, quoted Isaiah: "Bricks have fallen - we will respond with dressed stone."

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NEWS IN BRIEF

Goldschmidt: New drivers should visit rehab center
All those taking driving lessons and accident-prevention courses should be required to visit centers for the rehabilitation of accident victims, Knesset Economics Committee chairman MK Eli Goldschmidt said yesterday.

Goldschmidt, on a tour of Kupat Holim Clalit's Beit Loewinstein Rehabilitation Hospital in Ra'anana with other committee members, was told that 5,272 accidents last year involved deaths or serious injuries; in 130 of them, victims suffered brain damage.

Hospital director Dr. Yisrael Levin said that during the last two years, the number of accident victims admitted to Beit Loewinstein's department for spinal injuries had increased by 20 percent. (Itim)

State: New Likud MKs must resign as mayors
Likud MKs David Re'em and Ze'ev Boim should resign as mayors of Kiryat Ata and Kiryat Gat, respectively, the state told the High Court of Justice yesterday. It thereby supported two petitions charging that Re'em and Boim were violating the law by not resigning their mayoralties upon being elected to the Knesset. The court is expected to issue a ruling on the petitions soon. (Evelyn Gordon)

THE 2ND INTERNATIONAL COLLOQUIUM on MEDICINE, ETHICS & JEWISH LAW Welcomes to Jerusalem George Manstein, M.D. Sidney Peerless, M.D. Howard Rosen, M.D. recipients of the First Rofeh ve-Chessed Awards to be presented by the Dr. Falk Schlesinger Institute for Medical-Halachic Research Shaare Zedek Medical Center, Jerusalem

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DRIVE CAREFULLY

Northern Ireland hotel bombed

ANDREW HILL
BELFAST

SUSPECTED Republican guerrillas bombed a hotel yesterday, raising the prospect of an end to a two-year truce by vengeful Protestant "Loyalists" against Catholics in Northern Ireland.

Seventeen people were treated for shock and glass cuts after bombers struck the luxury hotel at Enniskillen, near the Irish border, just after midnight.

A warning was given and guests at a wedding party were evacuated moments before the blast, which capped a week of riots by Protestants and Catholics.

The Irish Republican Army, which is fighting British rule of the province, denied responsibility for the attack in a call to the Irish state RTE radio and television network.

The finger of suspicion pointed at shadowy IRA splinter groups who fear Sinn Fein has sold out the "armed struggle" to try to join peace talks, security sources said.

Gerry Adams, president of the IRA's Sinn Fein political wing, hinted at a "dirty-tricks" campaign by pro-British agents to discredit his organization.

"It comes at a time when the British government is in the dock, and I think it is quite fortuitous for them at this time. I am saying it comes as a major distraction," Adams told Sky News.

The IRA ended a 17-month truce in February by bombing Britain and a British army base in Germany but has avoided attacks in Northern Ireland for fear of Loyalist retaliation.

The Enniskillen bomb followed days of Catholic riots in protest at a police decision to allow parades by Protestant Orange Order sup-



Dozens of destroyed cars are seen parked outside the Killylin Hotel in Enniskillen, Northern Ireland, in which a bomb exploded yesterday. A 10-minute warning was given prior to the blast, but 40 people were injured.

porters through Catholic areas and nudged the province closer to a return to all-out sectarian warfare.

David Ervine, a politician close to Loyalist gunmen, said the bomb almost certainly spelled the end of a truce declared by the two main Protestant guerrilla groups

in October 1994.

Asked if the bomb meant the end of the Loyalist cease-fire, Ervine, of the Progressive Unionist Party, replied: "Yes, I'm afraid it does."

Adams told a rally of Belfast faithful that the IRA had refused

to surrender its arms, the condition for Sinn Fein's entry into Northern Ireland peace talks, because they were needed to defend Catholics against Protestants and police.

"There should be no preconditions [for Sinn Fein's entry into

talks]. Let no one lecture us about democracy down the barrel of a plastic bullet gun," he said.

The violence ended a two-year spell in which the British and Irish governments tried to organize all-party peace talks.

(Reuters)

Chechens blame Yeltsin for ruins, deaths

LIUTAURAS STRIMAITIS
GEKHI, Russia

RUSSIAN troops lifted their blockade of the Chechen village of Gekhi yesterday, allowing local people to return and survey the wreckage of their homes after a four-day battle with separatist rebels.

The fighting, which broke out on Friday and escalated into an intense aerial bombardment of the village of some 14,000, broke a six-week cease-fire agreed by Russian President Boris Yeltsin during his re-election campaign.

The head of the local administration said on Saturday that 14 civilians had been killed and 72 wounded. There were no casualty figures for the guerrillas or the army.

Half a dozen burned out Russian armored vehicles in the streets, fallen army helmets and piles of spent shell casings testified to the intensity of the house-to-house fighting.

Some local people were quick to blame the newly re-elected Kremlin leader for their losses, insisting that the army had started the battle last Tuesday.

"What have we done wrong for Yeltsin to bomb us?" said Zargan Suleymanova, tears turning to anger as she surveyed the wreckage of her home, transformed into a pile of brick and wood by Russian jets. "This is our reward for voting for him."

Referring to the bombings of two Moscow trolleybuses last week which some Muscovites blame on Chechen fighters, she said scornfully: "A trolleybus gets blown up in Moscow and they think they've got terrorists all over the place."

"Isn't it they who are the terrorists here? It's Yeltsin himself who's the terrorist," she said.

Guerrilla field commander Doka Makhayev was among those killed in the battles, the army said, but that could not be confirmed.

Fighting started hours after Russia's commander in Chechnya, Lt. Gen. Vyacheslav Tikhonirov, told the rebels to hand over their prisoners or be destroyed.

Military officials blamed the guerrillas in Gekhi for opening fire on troops checking documents.

Witnesses estimated that around a third of the homes in Gekhi had been destroyed.

On the outskirts, Moslem men were burying their dead under a burning sun. Women wandered weeping amid the ruins or sat dumbly surveying their furniture scattered through heaps of shattered and burnt timbers. Some complained of looting.

(Reuters)

Car used by bombers to flee Saudi bombing scene found

RIYADH, Saudi Arabia (AP) - Authorities have found the getaway car used by the bombers who killed 19 American servicemen last month, officials sources said yesterday.

The source, speaking on condition of anonymity, said the white Chevrolet Caprice Classic was found in Dammam, 10 kilometers from Dhahran.

After the June 25 blast at al-Khobar in eastern Saudi Arabia, which also wounded hundreds of people, officials said the bombers had been spotted fleeing in a

white, mid-1980s, Caprice Classic - the most popular car model in the kingdom.

Gulf newspapers also had reported at the time that witnesses gave Saudi investigators a "good description" of two of the bombers. But so far no arrests have been reported.

The fuel truck that was rigged with a bomb and used to destroy the housing complex was stolen from a Saudi contracting company days before the explosion, the source divulged.

The Saudi official sources said

the getaway car was reported stolen a few weeks before the explosion.

The source refused to say how the car was found, but added that the discovery was made a few days after the bombing of the US military housing complex in Dhahran.

There was no explanation as to why authorities never announced that the car was found.

The car's original color was gray and it apparently had been painted white before the bombing, the source said.

Six rebels killed in northern Uganda

KAMPALA, Uganda (AP) - Soldiers clashed with some 500 insurgents who entered northern Uganda from Sudan, killing six rebels, the *Sunday Vision* newspaper reported.

The encounter took place Wednesday, two days after the rebels entered the country, the newspaper quoted Defense Minister Amama Mbatia as saying.

The rebel Lord's Resistance Army draws support from the Acholi people in the Gulu district, about 305 kms north of Kampala, Mbatia said.

Mandela, hailed by French, seeks action for women

PARIS (Reuters) - South African President Nelson Mandela, mobbed yesterday by cheering French youths in the gardens of the Elysee presidential palace, called for worldwide affirmative action to give women and the disabled equal rights.

Mandela, 77, on a four-day state visit to France, was President Jacques Chirac's guest of honor at the Bastille Day military parade on the Champs-Elysees avenue, forsaking his trademark patterned silk shirts for a grey suit.

Chirac then invited the veteran anti-apartheid fighter to a garden party with some 3,000 young people from across France, who chanted his name and had to be held

back by Republic Guards as they jostled for autographs and pictures.

"All countries today need to apply affirmative action to ensure that the women, the disabled, also are raised and are equal to all of us," Mandela said to cheers.

"We also attach a great deal of importance to the question of the environment, because until we do things which show how we value our environment, we are not going to be able to have a healthy society in the world," he said.

Cabinet ministers shook Mandela's hand with visible awe, and the French media hailed him as personifying not only courage in overcoming apartheid but also wisdom in reconciling black and

white South Africans to build a multiracial democracy.

"I have looked forward to this day," Mandela said in his impromptu speech, calling Chirac an old friend and "one of the most outstanding statesmen we have in the world."

"I will take back to my country the memories of how I was received in the land of Rousseau, of Voltaire and Montesquieu - some of the architects of the doctrine of liberty, brotherhood and equality," he said.

Mandela also held private talks with Prime Minister Alain Juppe which focused on encouraging French investment in South Africa, officials said.

Diana to media: Leave me alone

LONDON (AP) - The divorce deal is done, and soon she'll be both independent and wealthy. But for Princess Diana, the trauma goes on.

Yesterday's tabloids splashed pictures of an obviously distressed Diana wandering in a park and shouting from her car at pursuing photographers, taken a day after the announcement that a royal divorce is in the works.

The princess blamed the media for causing her distress and appealed to reporters to stop following her around.

"The fact that the princess of Wales was persistently followed by seven press motorbikes and two press motor cars this morning is the reason for the distressing photographs which are now being published," said a statement released by Diana's office late

Saturday.

"She has asked that her sons and their parents are given some understanding at a sad time for all of them."

"Princess of Wales" trumpeted *The Sunday Mirror* over a picture of the princess castigating photographers who followed her as she drove to see a friend in southwest London on Saturday.

The *News of the World* led with "Diana's Tears in the Park" and a picture of the princess, clad in black shorts, T-shirt and baseball cap, apparently sobbing in a public park near her Kensington Palace home the same day.

A divorce court will process the case of *Wales vs. Wales* today, and on August 28, the uncontested divorce should be final.

Diana will lose the title Her Royal Highness, but news reports

say she stands to gain up to £17 million (\$25.5 million) in the divorce settlement, plus £400,000 (\$600,000) to run her office.

Meanwhile, *The Sunday Times* reported, Charles will begin shadowing his mother in an effort to learn the job first-hand.

Quoting unidentified sources close to the prince, it said he will move his private office from St. James's Palace to Buckingham Palace within the next three years and start taking on more of her public duties, including investitures and foreign tours.

He will spend more time studying state papers and "is also expected occasionally to sit in on private audiences between the queen and the prime minister and even officiate at the state opening of Parliament," *The Sunday Times* said.

Newsman John Chancellor dies of cancer

JOHN Chancellor, the venerated stalwart of NBC television news for 43 years who intoned the world's daily happenings from an anchor chair then moved on to analyze and interpret events as the last network commentator, died Friday, two days short of his 69th birthday.

Chancellor, who had been ill with stomach cancer, died at his home in Princeton, N.J. "No one could earn your respect quite like John Chancellor," wrote *Los Angeles Times* television columnist Howard Rosenberg when Chancellor retired three years ago. "His style was quietly professional, not pretentious. He never preached or lectured. He never pretended to be divinely anointed with answers. He was a messenger who never posed as a messiah."

His most memorable television appearance came when he was covering the San Francisco Republican national convention that

nominated Barry Goldwater in 1964. Chancellor was arrested for blocking an aisle during an interview.

The camera kept rolling and Chancellor kept talking: "Here we go down the middle aisle. It's hard to be dignified at a time like this. I've been promised bail, ladies and gentlemen, by my office... I'll check in later. This is John Chancellor, somewhere in custody."

Chancellor was there when they built the Berlin Wall, and he was there when they tore it down. During his career, he interviewed every British prime minister since Clement Attlee, every Israeli prime minister since Golda Meir and every US president since Harry Truman.

Chancellor joined the NBC anchor desk in 1970 with the retirement of Chet Huntley. After anchoring about 2,700 newscasts over a dozen years, Chancellor turned the job over to Tom

Browne in 1982.

Chancellor was delighted with his long-convicted new job as commentator, telling one interviewer: "All I have to do is write something and read it. There is no production, no editor. It's pure."

Covering his last political convention in 1992 - 40 years after his first - he complained that stage management, a lack of old-fashioned politicking and a dearth of suspense about much of the outcome had made such events "about as interesting as a Miss America pageant."

During a *People* magazine interview last year, he acknowledged that the diagnosis of cancer had left him "mad and frightened." Chancellor carried on with wry determination: "As I read somewhere, 'You want to make God laugh? Tell him your plans.'"

(Los Angeles Times)

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Mital Hapayim

At Kfar Blum, tradition recaptures center stage

RELIEF is in sight - or, rather, earshot - for devoted audiences of the annual Upper Galilee Music Days festival. Many were turned off by last year's office-obscure programming.

Critics may have praised the 11th event, better known as the Kfar Blum Festival, which was the first one following the retirement of founder/director Idith Zvi. But many oldtimers didn't appreciate new artistic director Rappael Kenan's attempts to shake the festival from its tried-and-true formula.

This year, Kenan, who is busy with his new job as general manager of the Omanut La'am ("Arts to the people") organization, has been replaced by Voice of Music radio-station director Avi Hanani, an old friend of the Kfar Blum event. Hanani intends to restore festival traditions, but not without offering some musical surprises.

"Throughout the years it was obvious that this is a Voice of Music project and it was essential for me that, even without Idith, it would remain so," said Hanani. "Kenan tried to dissociate himself from the station, creating his own program without consulting us. The festival could not continue to exist under such conditions. It was imperative to bring back Kfar Blum to the Voice of Music to maintain its uniqueness."

"The Kfar Blum festival is like a talented and successful child who has to withstand many exter-

MICHAEL AJZENSTADT

nal temptations. This is why I got into it. Not that I need it above my regular work, but I'm doing it for the radio. I adamantly believe that this festival must remain within the Voice of Music."

Several traditions have been restored. The first concert of the event will take place in Kiryat Shmuna, morning rehearsals will be free to audiences, broadcaster Hayuta Dvir will introduce the programs from the stage and, overall, programming will appeal more to the general public.

According to Hanani, "Among the things which interest me the most these days, at the very end of the 20th century, are: What exactly is a concert? What is an audience? And what is the overall meaning of music?"

As a result, he spent many hours devising a program that includes several intriguing rarities. Although the festival is very much anchored in 19th-century musical traditions, many of the works will be unfamiliar.

"I searched for some less conventional works, composers and ensembles without forgetting the obvious staples of 19th-century chamber music," said Hanani. "I tried to present in the festival several aspects of the chamber-music genre of the last century. For example it was very common to have musical salons in private homes with melodeclamatory [a

combination of narrators and musicians] works. And so many such works are incorporated in the festival this year."

THE MAJOR musical emphasis at Kfar Blum is on Schubert and Brahms. "We are now in the midst of the 200th anniversary of Schubert's birth and the centenary of Brahms's death. And although most of the world will celebrate the Schubert year only in 1997, chronologically this is wrong as it would already be the 201st year since his birth."

Hanani has found a psalm Schubert composed for a synagogue in Vienna: "I'm including it in a special Friday afternoon concert, a beautiful program that no one else in the world would dream of doing."

For his performers Hanani chose mainly Israeli musicians who play chamber music regularly throughout the year, with some guests from abroad. He also features two choirs, one adult and one of children, from Upper Galilee.

"Our aim is to help develop the music in the region. We must somehow benefit the place, which is why we are presenting the local choirs. If we ignore the artists who create here we have no right to exist here. That said, I would have never accepted these choirs had their professional level been in doubt."

The major question when planning such chamber-music festi-



Artistic director Avi Hanani prefers the old ways. (S. Uziel)

vals is to what extent a mixture of musicians who meet for two weeks in the summer and never practice regularly during the year, can come up with a master performance. Hanani dismisses the question out of hand.

"The once-in-a-lifetime quality which is the result of a live performance cannot be captured on discs or in any other way. And I sincerely believe we will have such musical sparks in the festival. This is what we are living for, that unique inspiring moment of music-making which cannot be repeated elsewhere."

He adds that those who prefer to listen to "perfect" renditions of chamber music on disc miss the point. "Chamber music is not a form one can enjoy on disc. It is like poetry which is built for the moment, for the creation in tandem for that magical meeting of performers and those who come to listen to them."

The 12th Upper Galilee Music Days take place at Kfar Blum July 26-August 3. Tickets for several programs are still available. And there are free morning rehearsals in case tickets sell out entirely.

Hollywood confidential

RUTH KERN

IN his 22 years of reporting on the movies and their stars, Hollywood Foreign Press Association president Philip Berk has observed many a "player" - including two rather flamboyant Israelis.

For Berk's money, producers Arnon Milchan - whose latest film *A Time to Kill* will be released this summer - and Menachem Golan - who recently left Hollywood and is now staging musicals here in Israel - represent, respectively, the best and the schlockiest of what Hollywood has to offer.

"Milchan has attempted to make some really interesting, almost art-house films on a mainstream level," said Berk during his visit last week to the Jerusalem Film Festival. "He's the mainstay of Warner Brothers, and that's probably the studio that makes the best pictures."

Berk, a 63-year-old native of South Africa who writes for Spain's *Holo* magazine as well as his homeland's national film magazine *Big Screen*, says *A Time to Kill* is likely to be "the best movie of the summer." It stars Sandra Bullock and 12 other "recognizable" actors including Hollywood's young flavor-of-the-month Matthew McConaughey.

"It's a conventional story about a black man seeking justice in the [American] South, but it's exciting and extremely well done," says Berk, with a laid-back California intonation, only slightly laced with a South African accent.

Berk takes a dimmer view of Menachem Golan's contribution to filmmaking. The Golan-Globus partnership "was strongly felt at one point," Berk goes on, "but Golan probably overextended himself."

"He made the type of movie that went out of fashion - building a movie around one star, while minimizing the importance of a good script and director. With the most successful movies, the key element is the director, although he's paid only one-quarter of what the leading actors get."

"Golan never worked with a great director. Like a lot of salesmen, he thinks the public goes to a movie because of the name on the marquee. Yes, that is important, but to keep them coming they need a good story and a good director. That was his failing."

As for Israeli writers and directors in Hollywood, "not many have made it," says Berk. "Maybe for same reason that Israeli films don't find world audiences. They usually deal with a very dark aspect of Israeli life, and I personally don't find them appealing."

On the other hand, Berk calls *Under the Dome*, starring Gila Almagor, "the best foreign film I've seen this year."

He also names Israeli transplant Alon Greenberg as being among the "top rank of cinematographers."

The association of which Berk is president is best known for its Golden Globes awards, which are given two months before the Academy Awards and are looked to as a predictor of how Oscar vot-

ers are leaning. This, despite the fact that this year the Golden Globes tapped *Sense and Sensibility* as its best picture, while the Academy went with *Braveheart*.

"Our 90 members, who represent 50 countries, are probably closer to academy voters than the consensus of critical bodies, which are often arcane, academic and self-serving. Unless it's a movie like *Schindler's List*, which was admitted across the board."

The members of the Hollywood Foreign Press Association are journalists, rather than critics, and "99 percent write about celebrities and films."

The American box-office take this year was the largest in history, but Berk isn't sanguine about the state of the movies.

"They seem to have lost sight of movies as an art form, the most exciting art form of the 20th century. Except for killing time, there's nothing for serious filmgoers. Going to the movies today is like taking a fun ride at an amusement park."

The association is a member of 10 film festivals worldwide, and Berk was here looking for possible Golden Globes nominations, as well as visiting a daughter who lives in the Dan region. Although he didn't find any potential award-winners at this year's Jerusalem Film Festival, he found the event exciting "because of the interest on the part of the public and the strong opinions expressed."

Someday, says Berk, the Association may send a whole 25-member delegation.

Altman can't go home again

FILM REVIEW
ADINA HOFFMAN

KANSAS CITY

★★

Directed by Robert Altman. Screenplay by Altman and Frank Barhydt. Hebrew title: *Kansas City*. 115 minutes. English dialogue, Hebrew subtitles. Not recommended for children.

Blondie O'Hara — Jennifer Jason Leigh
Carolyn Stilton — Miranda Richardson
Seldom Seen — Harry Belafonte
Henry Stilton — Michael Murphy

Kansas City is exciting and frustrating in the way that only a Robert Altman picture can be. In his wry nostalgia for the jazz-and-corruption-filled city of his birth, the veteran writer/director has fashioned another of his trademark rolling American murals - but this time there are no characters, only types.

The same generalizing tendency has threatened even Altman's best films, though in the case of a full-bodied work like *Short Cuts*, his approach seemed much more pointillistic. That is, each of the people in the huge, disjointed universe of the film was so precisely defined in their own context that the movie's larger design - a bleak portrait of contemporary life in suburban Southern California and by extension all of middle-America - emerged organically and almost as an afterthought.

Altman begins his new film, however, with the big plan already in mind - a colorful, musical snapshot of life in 1930s Kansas City - and he has a hard time eking out a compelling set of characters from the population.



The dialogue in this sprawling portrait of life in 1930s Kansas City pales in comparison to the musical sets.

cross-section he seems to feel compelled to present.

Not that he and co-writer Frank Barhydt don't try: the film has one of the most conventional, linear plots of any of Altman's movies. It takes place in the course of about 36 hours, starting the afternoon before election day, 1934. Its central figure, Blondie (Jennifer Jason Leigh), is a tough-talking pipsneak and telegraph operator with a corpse-like pallor and terrible teeth.

At the start of the film, she forces her way into the mansion of a Democratic Party bigwig (Michael Murphy) and his landlubber-addicted socialite wife (Miranda Richardson).

It seems Blondie's punk of a husband, Johnny, has botched a mugging and been taken prisoner by a smooth black mob boss named Seldom Seen (Harry Belafonte) who hangs around the

Hey-Hey Club listening to "cutting contests" by the likes of Lester Young and Coleman Hawkins. Blondie is desperate to get Johnny back and the only way she can think to arrange his release is to kidnap Carolyn Stilton. The two women set off on a dimly lit, nighttime odyssey that takes them on a grand tour of the whole town: they visit a Western Union office, a train station, a movie house, a home for pregnant black teenagers, a seedy bar, etc.

All the while, one can't help but sense Altman dutifully checking locations off a list of favorite childhood sights. The women don't do much in any of these places except sit and dawdle. (Their interaction has been described by the director as improvisational and jazz-like, which just sounds like an excuse for the script's lack of focus.) Whenever their inane chatter -

about Jean Harlow's hairdo or the Lindberg baby - threatens to become really painful, Altman cuts back to a live-wire jam session at the Hey-Hey Club, as if he too were bored by this nitwit odd couple he'd created and craved the release of a great, non-narrative trumpet or sax duel.

Which of course begs the question, why create such dull characters in the first place, if the point is just to contrast their thin white repartee with the supple black zap of the jazz? (If any other points were in the offing, they weren't apparent to me.) Leigh's Blondie seems especially two-dimensional, a cheap compendium of a dozen gangster-movie floozies. And it's pointless to argue that she has consciously constructed her identity around this Hollywood prototype. Leigh's performance is typically bitten, hammy and mannered, and it leaves little room for nuance, to

say nothing of sympathy.

Richardson's tippy Junior League lady is more interesting - soft and curious and maybe not quite as stupid as she pretends to be. In the end, though, she also seems more like a "representative" of her class and race than she does a thinking, feeling being.

But there is some good news. The film is full of amazing jazz numbers (played by Joshua Redman, Craig Handy, David Murray, James Carter, James Zollar, Cyrus Chestnut and others), and the director completely relaxes during the jam session scenes, letting the camera gaze lovingly and long on the performers. Empty and predictable as the conversations are between Leigh and Richardson, the musical sets have the charged, rich quality of vintage Altman: they're at once playful and haunting, ribald and dead serious.

German director, Haifa Theater salute 'The Captain'

WHEN Oded Kottler first invited Georg Karl Kayser to direct at the Haifa Theater, his first reaction was: "Me? But I'm a German director. I couldn't imagine that Jews would want to work with a German. That shows you how square I was."

His fears were groundless. In fact there's a perfect lovefest between the easy-going, soft-spoken 47-year-old and the cast of *The Captain*, Carl Zuckmayer's satirical comedy currently previewing on the main stage.

"He's terrifically talented," says Moshe Ivgy, who plays the title role. "He likes actors and he has no ego. For him the play really is the thing. He makes the most of every part, no matter how small, and he's as eager as we are to see what happens."

The main character isn't really a captain. He's a petty criminal called Voigt who wants to go straight, but for that he needs a job. To get a job he needs an internal passport, which he can't get because he has a record. In des-

peration he dresses up as an army captain, commandeers a platoon of soldiers and takes over City Hall. Everybody obeys him unquestioningly.

The story is true and Voigt became famous for 15 minutes. Then he dropped back into obscurity and used to tell his story for money to anyone who'd listen. Zuckmayer heard it on a ferry in

1921 or so but wrote the play only in 1929 "as a sort of warning signal against the rise of Nazism," Kayser thinks.

Yet he still thought *The Captain* a strange choice "because it is such a very German play set in Prussia's militaristic society, whose main concerns were

advancement in the army and the proper uniform. It is also a parable of a man searching not only for his identity but also for a place to call home, like so many refugees today.

"The uniform is a metaphor for the respectable facade, but behind it there's the fear of falling from grace and not belonging, which is as common

to our society as to pre-World War I Prussia. The play suggests that we treat people the way they look: it says 'pay attention to the man and not the mask.'"

Kayser comes from a theatrical family. His father is an actor and a director in Leipzig and Weimar "so I didn't have the imagination to do anything else," he smiles. "But I like it because you have the opportunity to open doors. Not everything we see is unchangeable. Opening doors means looking into other spaces. Theater is for that, and not to chronicle current events."

It was Kayser's production of *The Three Sisters* in Antwerp that caught Kottler's eye and led to the invitation. His mini-dread of coming came from the feeling "that I carried the German guilt [for the Holocaust] around with me."

"One day I went to a kiosk to get cigarettes and as I struggled with English the owner, an old man, said in perfect German, 'Why don't you speak German? It'll be easier.' So we talked and it was wonderful. And that for me was the real opening of a door."

HELEN KAYE

Kottler gets vote of confidence

AUDIENCE response to *The Captain* has been favorable, but the theater hasn't been so lucky. It has become fashionable to berate the Haifa Theater for lack of theatrical imagination and the critics have savaged most of its productions.

The conventional wisdom is that in the last few years only Edna Mazia's *Games in the Backyard* has saved the theater from financial and artistic ruin and that the theater has become a repository for foreign companies and guest productions. Yet the HFA's board has recently indicated its confidence in general manager Oded Kottler by electing him to a second five-year term.

According to Kottler, "Our audience are local

patriots. They support the theater and are willing to suffer our failures. They write to us and are very involved, because we are the only creative institution in the north."

The published '96/97 schedule is being marketed as "the American Season." It features Arthur Miller's *The Price*; *Sympatico* about a friendship gone badly wrong, by Sam Shepard; both parts of Tony Kushner's epic *Angels in America*; Leonard Bernstein's wonderful *West Side Story* together with Hablimah; and *Sweet Bird of Youth* by Tennessee Williams, directed by Helen Kant Hawson, which opens the season in October.

H.K.

Fest has a medium for every message

HELEN KAYE

TRIED and true and something new describes this year's old/new Phenomena Festival that takes place at two separate venues in Jerusalem from August 3-8.

The Jerusalem Train Theater's bi-annual international puppet theater festival joins forces with the Habama Theater and the School of Visual Arts (SVA) to create Phenomena, the first local multi-media, multi-disciplinary performance festival.

"Interdisciplinary and multi-disciplinary work is gathering momentum worldwide," says Phenomena organizer and artistic director Hadass Ophrai, who also heads Habama Theater. "What is more, it's increasingly finding its place in the mainstream of performing arts."

This has been the emphasis at Habama and SVA for 15 years. Ophrai continues, "and all of a sudden we discovered that we have about 100 individuals and groups working in this field. The festival gives them a stage."

From 9 each evening, the adults can pick and choose among a bunch of home-grown and visiting shows that combine dance, theater, the plastic arts, and the electronic media which are the hallmarks of performance art or visual theater. These take place in Jerusalem's Talpiti neighborhood.

The Israeli component of these includes *Zibubu*, a slapstick and video look at Alfred Jarry's *King Ubu* in honor of the play's 100th year and the 10th anniversary of Jerusalem's Visual Arts School; *The Frogman's Report* in which Uri Katzenstein and Ohad Fishof combine rock, video, dance, a cranial water flute, mutant drums and more; Tamar Raban reprises the

lyrical *Silbubbe* for body, sound and light which she first did at the Acre Festival last year.

The local rock band Tractor's *Revenge*, which collaborated with Ohad Naharin and the Batsheva Dance Company for *Anaphase*, joins force with Holland's Orkater Theater for *Someone on the Stairs* billed as a concert for theatrical images of urban power; well-known US performance artists Anne Jobst and Lucy Sexton team up for a parody on American culture called *Dance noise* and some sharp body-bytes on sex, violence and society called *Socorro! Gloria!* ("Help! Fame!") by La Ribot from Spain.

During the day children of all ages will be able to catch local and imported puppet plays between 10:30 a.m. and 6:30 p.m. in an around the Liberty Bell Garden.

Italy's Teatro del Briciole with a new version of *The Pied Piper of Hamelin*. *The Cuddly Animals Circus* in which 50 toy animals come to life from the Kammertheater of Germany and *How Kuba Courted Marquise*, a puppet love story from Liberec Naivni Theater of the Czech Republic are among the imported offerings in the puppet festival.

Local premieres include *Boniera*, the story of a princess in a chrysalis from the incredibly gifted Idit Herman and Dmitri Tulpanov, *The Desert Crown* with 70 bird puppets, and *Go Nowhere* *Bringing Nothing* in which the king's hunter meets a sculptor, both from the Train Theater.

Altogether Phenomena boast 40 events as well as free performances outside. There are 17,000 tickets in total, costing from NIS 25 to NIS 65, on sale at agencies.

SEE IT IN HEBREW
HEAR IT IN ENGLISH!

COMEDY OF ERRORS
July 16 at 8:30 p.m.

The smash hit production of Shakespeare's classic comedy set amidst a modern war-torn Middle Eastern city with dazzling stage effects that include drums, gunshots, torchlights and even belly dancing.
Directed by Mr. Orni Milzhan, Artistic Director of the Cameri Theatre
Translated into Hebrew by Mr. Dan Almagor.
"It pays homage to the vineyards of peace and its rewards..." Ha'aretz

POLLARD
July 23 at 8:30 p.m.

Pollard - A controversial and successful play about the naval officer, Jonathan Pollard, who spied in the United States for Israel and is now serving a life sentence in an American prison. Mr. Pollard has since been granted Israeli citizenship. The performance will be followed by a panel discussion including Mr. Pollard's ex-wife, Ann Pollard, who spent 3 1/2 years in an American prison for conspiracy.
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The Cameri Theatre can now be found on the Internet at the following address: <http://www.cameri.virtual.co.il>

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Shabbat peace

THE violent clashes among haredim, Meretz activists, and the police on Jerusalem's Rehov Bar-Ilan this weekend were as disturbing as they were avoidable. Intransigence — on both sides — is threatening to turn this dispute into a protracted and bloody conflict that must be ended now rather than later.

The battle lines are clear enough. Rehov Bar-Ilan runs through a neighborhood whose residents are nearly all Orthodox. As with various streets in other areas of the city, the residents have been seeking to have the street closed in order to preserve the peace and sanctity of Shabbat in their neighborhood. However, unlike other streets, Bar-Ilan is a major artery which links the city with Ramot Eshkol, French Hill, and, perhaps even more importantly, Hadassah-University Hospital on Mount Scopus. Secular residents fear that closing the street will set a dangerous precedent and lead to demands that other streets be shut as well. Last week, Transport Minister Yitzhak Levy declared the street would be closed during prayer hours on Friday evening and Shabbat morning and evening, but the High Court of Justice issued a temporary injunction against the closure, setting the stage for the Shabbat showdown.

In what can only be described as an act of sheer irresponsibility, Meretz activists, headed by city councillor Ornan Yekutieli, organized a convoy of cars to demonstratively drive up and down Rehov Bar-Ilan on Shabbat afternoon. As if the atmosphere were not sufficiently tense, Meretz drivers rolled down their windows and mockingly yelled "Shabbat shalom" to haredi pedestrians, practically inviting a violent response. Ignoring previous pleas from President Ezer Weizman, Chief Rabbi Yisrael Meir Lau, and other prominent public figures, the Meretz activists insisted on proceeding with their childish and dangerous display. One can only wonder how such a display of cruel intolerance helps to further the cause of those who claim to be staunch advocates of tolerance and mutual understanding.

But haredi leaders are also at fault for the cycle of animosity that led to the Shabbat eruption. Though the haredim are certainly within their right to protest and to demonstrate, they surely knew that such a step would only inflame the situation still further and lead to unpredictable consequences. Even more troubling was the behavior of a few hotheads in the haredi community, who chose to throw stones at police and at cars traveling on the street. This shameless display of wanton violence not only risked inflicting bodily injury on fellow Jews, but also made a mockery of the Shabbat peace that the stonethrowers were attempting to safeguard. Adopting such tactics is unlikely to widen support among the general population for the stand of the haredi residents. As Jerusalem Rabbi Ya'acov Fogelman once noted, haredi protesters would be far more persuasive if they

invited drivers into their homes to share a Shabbat meal and songs, rather than throwing rocks and bottles at them.

As the tempers flared, both sides showed disdain for the state and its institutions. Meretz's Yekutieli initially agreed to a police demand that the Bar-Ilan convoy would not proceed all at once, but would instead go in shifts of five cars a time, so as not to overly provoke haredi anger. Nevertheless, the Meretz drivers proceeded to violate the understanding and actually skirted police roadblocks. This led Jerusalem police chief Cmdr. Arye Amit to blame Meretz for provoking the subsequent unrest.

For their part, haredi activists displayed distasteful contempt for the High Court, saying in response to the latter's injunction that it was the Rabbinical Court that would decide the matter. This blinkered cynicism was capped by the statement made by Jerusalem Deputy Mayor Haim Miller, who called the High Court "a local Meretz branch." Though they thumb their noses at the authority of the state's highest institutions, even as their elected representatives fill prestigious ministerial and Knesset posts, haredi activists must be made aware that the law of the land is the law. They cannot choose to adhere to the laws of the state only when it is convenient or to their liking.

The police, too, were not completely faultless in their behavior. In recent years, Amit has come under intense criticism for the heavy-handed, often brutal manner in which the police subdued demonstrations against the Labor government. Anti-government protesters were sometimes the target of riot police who lacked restraint, as well as appropriate training for crowd control. This poor state of affairs was again evident on Shabbat, when the police resorted to force to clear haredi demonstrators from Rehov Bar-Ilan. The police also utilized a water cannon, even though such use might lead to serious injuries when directed against crowds.

Police clumsiness, however, does not justify United Torah Judaism's demand to fire Amit, nor its labeling the demonstration a "police pogrom." Violent words, as this country saw only too tragically last November, often lead to real violence. Those in positions of political and spiritual influence should take great care in their public and private utterances. The police's handling, or even mishandling, of a demonstration where there were no serious casualties or mass arrests is no cause for a coalition member to threaten a no-confidence motion against the government.

The pent-up anger and frustration that is mounting over Rehov Bar-Ilan threatens to explode into fury if tempers are not calmed quickly. Already, both sides are vowing mass protests for next Shabbat. The prime minister should step in quickly and announce, once and for all, that the road will remain open and that further argument is fruitless. The risk of further violence, and perhaps even bloodshed, demands his priority intervention.



A disturbing US visit

PRIME Minister Netanyahu's trip to the US may be judged a great success if only because it didn't blow up in a crisis with President Clinton. Otherwise there was much in it to disturb.

The gap between the Israeli and US positions regarding the essentials of the peace process appeared to be widening. If the premier's rhetoric was a real reflection of his views, he showed himself quite distressingly removed from Mideast realities.

He indicated to the Americans the four pillars on which his peace policy would rest: security, reciprocity, democracy and economic independence. The principles themselves are self-evident; Netanyahu's problem lies with the details.

Security is made up of two elements: the ongoing fight against terror and the rooting out of its sources. This last can only be achieved on the political level, through cooperation between all the players, including our Arab partners.

But by holding out the "peace of terror" formula as a precondition for negotiations, Netanyahu is handing the terrorists veto power over the peace process. This can only lead away from peace and personal security toward increased terror.

No one disagrees with the prime minister on the importance of reciprocity. Yet reciprocity should be a device for advancing the peace process, not an excuse for halting it.

We are not, after all, dealing with equal partners. Israel is the strongest political and economic power today in the region. We have come to the negotiation table from a position of superiority. Our existence is no longer under threat. Our goal is security — and that, in the long run, is best achieved through peace.

Therefore as long as we main-

tain our stance of self-confidence, protecting our vital security interests, we can afford to consider the calculated risks for peace that might be needed.

Netanyahu's expectation that the Arab states will transform into democratic regimes and his proposing this as another precondition for actual progress is a fantasy. He is either indulging in wishful thinking or looking for an

I hope Netanyahu can find the strength to back down from his pretentious declarations in America

excuse to stop negotiating.

This isn't North America, or Western Europe. It will take negotiations before all our neighbors are ready for such a massive social and political transformation. But peace with security could act as a catalyst.

WHAT, then, can we lose by maintaining the status quo? Why indeed should we take risks for peace?

A status quo is likely to escalate tension with our Arab partners, whose public will become frustrated and alienated by the stalemate.

Egypt is already showing signs of agitation; Jordan won't long feel comfortable in Netanyahu's overpowering embrace, and Arafat will gradually lose public support. The result: renewed terror.

An Arab-Israeli stalemate added to more profound social and eco-

nom processes might encourage a wave of fundamentalism that could take over more countries in the region. And we face another danger — of Moslem countries acquiring a nuclear capability within the next decade.

If Israel can seize the opportunity to pursue peace from a strategic and economic advantage without compromising vital security interests, it has to go ahead.

As for Netanyahu's aspiration to national economic independence, this too is linked to the peace process. Any setback, even just our running in place, could reduce international political support and eventually cause our economy immense damage. There would be problems raising capital and attracting foreign investment, and further difficulty in keeping the lid on unemployment and inflation.

I find it hard to see how the premier could implement the proposed budget cuts and forgo US economic aid down the line, as he proudly announced to Congress.

I hope the prime minister can find the strength to back down from his pretentious declarations in the US.

If he uttered them with the aim of lowering his partners' expectations, that makes them tactical and temporary. If, on the other hand, they do reflect Netanyahu's mindset, then my advice to him would be to leave rhetoric alone and just continue implementing the signed agreements — the redeployment in Hebron, and the additional redeployment due in September '97.

I would also advise him to give the Syrian channel serious attention before Hafez Assad gets pushed into the Iranian, Libyan or Iraqi behavior pattern.

The writer, a former chief of staff, was foreign minister in the previous government.

Only France

SAM ORBAUM

INTERNATIONAL diplomacy is a funny thing. Every nuance is analyzed for its every possible ulterior motive. Outside of a state of war, no respectable nation openly upbraids another. It's just not done.

I'm not the sort who believes every non-Jew is a latent anti-semitic, but I have noticed over the years that diplomacy vis-a-vis Israel is sometimes surprisingly arrogant, crude and patronizing.

Britain, that paragon of propriety, has a rich history of Churchillian conceit toward us; half the world broke off relations following the 1967 war, though they weren't even indirectly involved; even today, visiting diplomats gleefully head straight for Orient House despite — or because of — the embarrassment to Israel.

European countries, which should behave with more dignity and respect, regularly drop their pretense and snap and snarl at this country; even the US has taken a snide poke — you'll recall James Baker's outrageous declaration that Israel should call the White House phone number if it ever gets serious about peace.

However, no country is as cynical in its diplomacy as France.

Last Thursday, Defense Minister Charles Millon announced that relations between the countries would be lowered if the peace process were stopped. Not even Egypt, which would be pleased to unyoke its high-level ties with Israel, has gone as far, and as quickly, in threatening to single out Israel for punishment.

This is the very same France that slapped an arms embargo on Israel on the eve of the Six Day War, when this besieged state was almost totally dependent on it for weaponry. France broke all of its agreements and contracts in the hour of Israel's critical need, coolly appointing itself God over the fate of a people awaiting mass invasion.

This is the same France that upheld its immoral embargo on Israel — no, it didn't punish any of the other combatants — until just two years ago, when it signed a new set of defense agreements with this country, which it is now, again, threatening to abrogate.

France is thus putting the entire onus on Israel for the success of the peace process.

The Palestinians and Jordan have a right to take such a stance. But France? Its only direct involvement, I can safely assume, is that its many economic partners in the Arab world have instructed

For sheer, unadulterated cynicism toward us you can't beat French diplomacy

it to pressure Israel, or else. Somehow, I can't imagine France telling them "our principles and policies are not for sale."

FRANCE'S obnoxious attitude denigrates Israel's independence, more so because this peace process is viewed by a majority of voting Israelis as jeopardizing this country's security.

France did not threaten to cool ties with Syria, the Palestinians, the Lebanese or the Saudis if the peace talks stopped. Only with Israel.

France did not imperil its lucrative ties with the terror-mongers of Syria or Iran by warning them to behave like responsible members of the international community. It completely exonerates these governments, which are literally getting away with murder — and waylaying the peace process.

France can think of no reason to humble criminal states such as Libya, Iraq or Sudan, or the various genocidal states of Africa, for their gross violations of human conduct.

Only Israel. It didn't matter that Prime Minister Netanyahu, only hours earlier in Washington, stressed his commitment to the peace process in some form or another; or that the Palestinians have routinely broken their promises (France can certainly identify with that), or that Syria would have had all its demands met before the elections if only it weren't so unbelievably bullheaded and fanatically imperious. Millon, and France, flagrantly blame Israel alone for a failure that hasn't even happened yet.

If the peace process does fail, it will be because we who live here decided it should — thanks to an electoral process based, ironically, on liberte, fraternite and egalite, which no other country in this region embraces.

The writer is a member of The Jerusalem Post editorial staff. The views expressed are not necessarily those of the paper.

LETTERS TO THE EDITOR

NON-ORTHODOX CONVERSION

Sir, — We, the so-called non-Orthodox Jews, never point fingers at the Orthodox, saying they do this or that. We simply want to be left alone by them. So why does Emanuel Feldman in his article "Melanie not Moses" (J.P., June 30) think himself qualified to say that non-Orthodox converts "aren't interested in being Jews"?

I myself am a non-Orthodox convert. When I applied for conversion, I already had an M.A. degree in Judaism. I still had to study for two more years. Living in Amsterdam at the time, I went to Paris for the mikvah immersion. I also had to pass a difficult exam at the Beit Din.

We are now active members of a Reform synagogue here in Israel, keeping kashrut, Shabbat and the holidays with our children.

People like Feldman, who know nothing and just feel threatened, should not deepen the rift in the Jewish people, because that is exactly what the Jewish People doesn't need.

ELSINA BIRACH
Kibbutz Yagur.

ROAD DEATHS

Sir, — What hope is there of decreasing the carnage on our roads if a truck driver who fell asleep at the wheel and caused the deaths of three people is sentenced to only 18 months in prison, and his license revoked for only eight years (J.P., July 1)? According to the report he was driving without a license and proper insurance. The "punishment" is a mockery to the memory of the people killed by this man.

ROMA BROOKS
Pardess Hanna.

EDUCATION BUDGET

Sir, — It is shameful that our new government is even considering reducing the education budget. At a time when Israel's education system is in a state of steep decline, the education budget needs to be increased. Poorly paid teachers, 40 students per class and inadequate support systems are not conducive to proper learning or teaching.

DANIEL A. LANG
Ma'aleh Adumim.

CIVIL PUBLIC DISCOURSE

Sir, — Everyone who values civility in public discourse must be troubled by Susan Hattis Rolef's use of the term "Rasputin" (the evil adviser to the Russian czar a century ago) in referring to one of Prime Minister Netanyahu's advisers, who happens to have been born in Russia ("A PM for all the people..." J.P., June 24). One can imagine how offensive it would be to Ms. Rolef, who was born in the United States, if one of her critics compared her to a despised figure in American history who was close to an American leader (for example, Benedict Arnold, who was one of George Washington's top generals).

It should be possible for supporters and opponents of Israeli government policies to debate issues in a civil manner, without resorting to inappropriate ethnic analogies.

MORTON A. KLEIN,
National President,
Zionist Organization of America
New York.

PALESTINIAN COVENANT

Sir, — Mr. Misha Louvish (J.P., June 9) is totally satisfied with Arafat's performance as regards the "Palestinian National Covenant." Not so Shmuel Katz and many others, notably our prime minister and his government.

I wonder whether Mr. Louvish, before applying almost talmudic sophistry in his attempt to make Arafat look "kosher," has bothered simply to read the text of Oslo B in this matter, which says:

"The PLO undertakes that, within two months of the date of the inauguration of the Council, the Palestine National Council will convene and formally approve the necessary changes regarding the Palestinian Covenant..." (Interim Agreement, article 31, par. 9)

Facing this clear, unequivocal text, with no specific changes at all having been submitted to the Council for approval, let the readers judge whether Arafat really kept his pledge.

ELYAKIM HA'ETZNI
Kiryat Arba.

PEACE WITH SECURITY

Sir, — The truck bombing in Saudi Arabia which killed 19 Americans and wounded 270 is a perfect example of why Netanyahu's concept of peace with security is absolutely necessary. Saudi Arabia is a country which is unquestionably friendly toward the US, and the Saudi authorities were unable to prevent the detonation of a truck bomb.

If terrorists can successfully operate in a country as tightly controlled as Saudi Arabia, imagine what they could conceivably accomplish in the friendly environment of an independent Palestinian state adjacent to their target, Israel.

Unless and until the Palestinians can demonstrate that they can control themselves and show that they are revolted by terror rather than revel in it, they should not be permitted to control land bordering Israel.

WILLIAM K. LANGFAN
Palm Beach, Florida.

THE NANNY

Sir, — On the Saturday following the election, my wife and I were sitting in the lobby of the King David Hotel when the newly elected prime minister and his family came into the lobby. Mr. Netanyahu and his wife proceeded to the patio to have lunch while the *matpelet* (nanny) took a seat in the lobby with the two Netanyahu children close to where we sat.

We engaged in casual conversation with the girl but were shocked by her total lack of discretion in discussing almost any matter relating to the prime minister's family.

At the time, my husband and I commented to each other that perhaps it would be wise to tell the security services so that the girl could be instructed to use more discretion, but we ended up doing nothing about it.

Now, in light of the exploitation of the nanny's dismissal by the media, I feel compelled to write that on the basis of personal contact with the girl, her dismissal was warranted.

DR. CHAIM SEIDEN
Jerusalem.

As wrong as you can get

LIKE the word "peace" itself, the phrase "land for peace" has become a corruption of thought and language.

First, the phrase is intuitively irritating, because of an asymmetry. Land is tangible and very hard to regain once given away; peace is an airy entity, which, once given, can always be taken back.

But it goes beyond that. The phrase "land for peace" contradicts Israel's actual experience in peacemaking with Arab parties.

Among those parties, Israel's most peaceful relations at this point are with Jordan. There is open cooperation in many areas; ties between the two governments are genuinely friendly and mutually supportive.

Yet Israel has made no significant concessions of land to Jordan — on the contrary, it has retained almost all the land it conquered from Jordan in the 1967 war.

Between Israel and Egypt the situation seems diametrically different. Israel relinquished a great deal of land to Egypt — the entire Sinai, larger than Israel itself. Yet the peace with Egypt is so "cold" that "non-belligerency" would be a better description.

On the diplomatic plane, Egypt treats Israel as an enemy, pressuring and threatening it, encouraging hostility and discouraging friendly ties with it. Moreover, Egypt stands in large or total violation of provisions in the Camp David accords for developing trade, culture, and tourism between the two countries.

Most worrisome, Egypt, despite its dire economic problems, continues to build a vast military apparatus that hardly seems explainable in terms of its neighbors Libya and Sudan.

Israel has made another land-for-peace venture, with the Palestinians. Here too the results hardly inspire

P. DAVID HORNIK

confidence.

At this moment, the main area Israel has handed over to the Palestinians — Gaza — serves as safe haven and operational base for Hamas and Islamic Jihad, two fanatical anti-Israel terror organizations.

And hostility toward Israel among ordinary Palestinians remains strong. It was dramatically demonstrated by the hundreds of thousands of Palestinians who attended the funeral and memorial rallies for Yihye Ayyash, "The Engineer," mass murderer of Israelis.

Land for peace? As a concept it's counterproductive

In other words, Israel has peaceful relations with Jordan, to which it has given no land; a troubled non-belligerency with Egypt, to which it has given a lot of land; and ongoing conflict with the Palestinians, to whom it has also given land.

Puzzling? Only to those who are guided by dreamthink. The reality is that the basis of peace lies elsewhere than the sacrifice of land.

IN JORDAN'S case, peace is based primarily on expediency. Israel protects Jordan against aggressive Syria and unstable, potentially aggressive Iraq. For King Hussein, peace with Israel pays off handsomely in his own political survival.

Beyond expediency, another factor is Hussein's genuine (though conditional) Western orientation and ideological moderation.

Egypt, for its part, has no such strategic dependence on Israel. And

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Dogged

Perot's Back. But Did Voters Ask for an Encore?

By RICHARD L. BERKE

ROSS PEROT'S folksy utterances may still get splashed on the front page and the evening news. His every public word is monitored by the minions of President Clinton and Bob Dole. And there remains a chance that he could single-handedly tilt the election results on Nov. 5.

Even so, all the hubbub over Mr. Perot's declaration last week that he will seek his Reform Party's nomination to run for President obscured a crucial reality: Mr. Perot is not the political

colossus he was in 1992. Then, he upended American politics by taking nearly 19 percent of the popular vote, a better showing than by any third-party candidate since Theodore Roosevelt ran on the Bull Moose ticket 80 years earlier. In all the yearning for an alternative, Mr. Perot was a refreshing face.

But he alienated many of his own supporters with his conspiracy theories and his decision to bow out of the race in the summer of 1992 — and just as hastily to jump back in. For some voters, fascination over Mr. Perot has turned to embarrassment. Mr. Perot likes to harp on the deficit as the crazy aunt locked in the attic; to his detractors, the Texas billionaire is the crazy uncle who broke out.

His candidacy has less going for it than it did four years ago.

More substantively, the major parties have had some success in co-opting Mr. Perot's signature issue: deficit reduction. Four years ago, President George Bush was reluctant to talk about the deficit because his aides feared that he would be blamed for contributing to it. Likewise, Mr. Clinton avoided the topic because he did not believe that Democrats had credibility on the issue. Now, the economy has rebounded, and voters are willing to give the Democrats and Republicans some credit, albeit not a great deal, for tackling the deficit.

Gored in 1993

Mr. Perot's credibility on another issue he emphasized four years ago, trade, never recovered from his nationally televised face-off with Vice President Al Gore over Nafta in 1993. And two national polls released Friday found that Mr. Perot's entry would not make a big dent in Mr. Clinton's lead over Mr. Dole.

"Perot was very much in '92 the creature of a particular set of institutional circumstances that made the deficit a really important issue that was not on the agenda of George Bush or Bill Clinton," said Henry E. Brady, a political science professor at the University of California at Berkeley. "That constellation of circumstances just doesn't exist. To get out and say how terrible politics is is just not going to galvanize these voters. That's turn-off talk."

James P. Pinkerton, who was a senior aide in the Bush White House, has completely lost patience. "He's just a shyster and will be regarded as such," Mr. Pinkerton said. "If he spends \$600 million instead of \$60 million, who knows what impact he'll have? But he's not going to win. He has nothing to say. He gets up there and rants."

The timing of Mr. Perot's declaration in a television interview Thursday — he upstaged former Gov. Richard D. Lamm of Colorado, who had announced only two

Continued on page 3



Greg Ryan

Scratch 'n' Spend

Muting the Lotteries' Perfect Pitch

By JAMES STERNGOLD

A RECESSION, layoffs and economic dislocations have made these punishing times in California, but the state government spends millions of dollars broadcasting a simple piece of advice for helping people deal with the stress: play the lottery.

"Just when the curtain's down on your luck, good luck could make a comeback," the state says in one ad. Another sounds a warning on the consequences of not buying lottery tickets: "Everybody gets lucky sooner or later, so don't take any chances."

It's a seductive thought, but one that many politicians are finding increasingly troubling. California is conveying a message that bombards people so relentlessly in so many regions that lotteries have become the most visible face of many state governments.

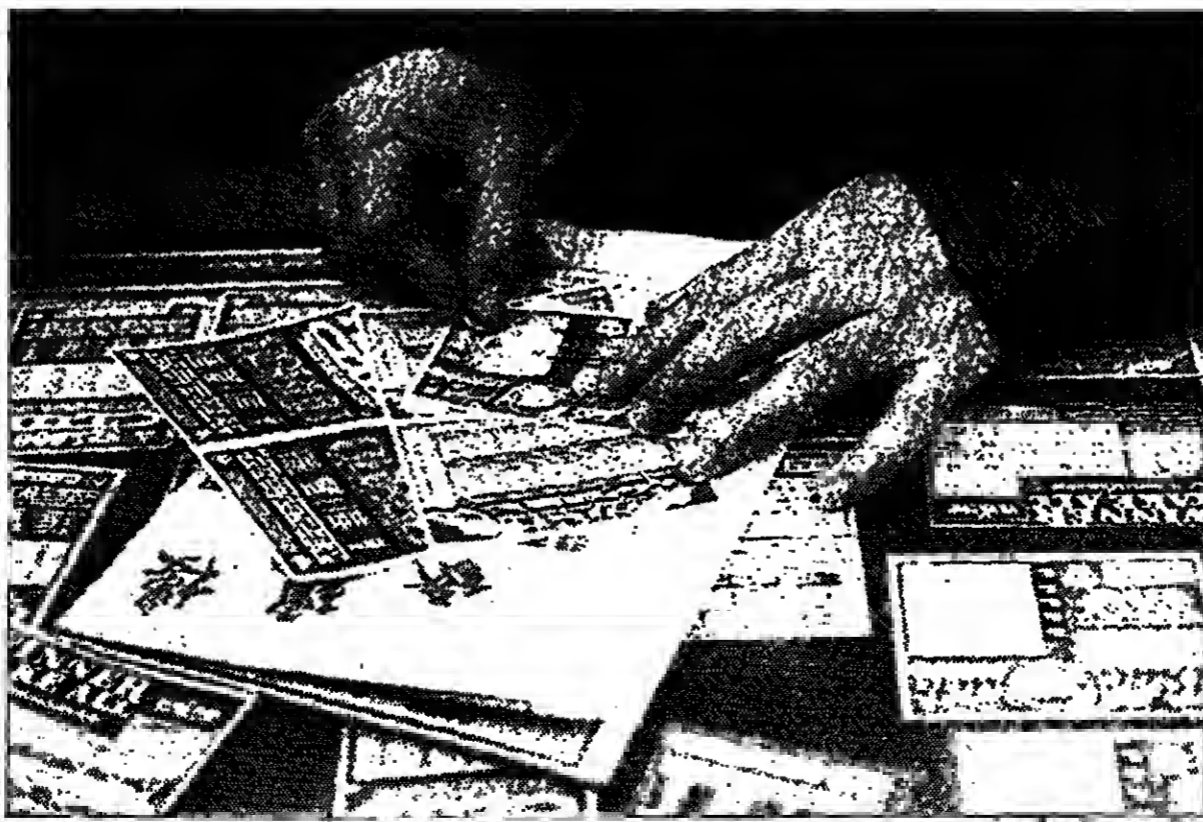
Thirty-six states, plus the District of Columbia, operated lotteries last year, and they spent \$372 million on advertising in the 12-month period that ended June 30, 1995, according to La Fleur's 1996 Lottery World Almanac, a trade publication. That is triple the amount spent a decade ago, making lotteries among the largest and most aggressive advertisers in the country.

Step Right Up

The pitch is paying off: lottery ticket sales have risen from \$9 billion in 1985 to \$31.9 billion last year. Of that amount, about \$11 billion ended up in state coffers, after covering jackpots and administrative expenses.

What disturbs some people is the fact that the states, armed with these hefty ad budgets, have hired some of the best salesmen in the country to persuade people that, in effect, the government sanctions gambling as a short cut to happiness, that playing lotto is fun, and that it is a suitable method for financing everything from education to wilderness preservation. The advertising may also be helping the casino industry by legitimizing gambling as a healthy leisure activity.

"Clearly, the acceptance of the state lotteries gave a credibility to gambling and took away some of the stigma," said Frank J. Fahrenkopf Jr., president of the American Gaming Association and a former chairman of the Republican Party. "This was the state government involved. That gave it a respectability it might not have



Massachusetts sold a whopping \$466 in lottery tickets per person last year.

Janet Knott/The Boston Globe

had otherwise."

The lotteries have been a boon for cash-strapped state governments, but many legislators are having qualms about the brazen promise of easy money. "It has always bothered me to hold up the prospect of instant riches," Gov. George E. Pataki of New York said in April, and he ordered lottery officials to emphasize instead the funds flowing into education. (Ooe former ad said: "We Won't Stop Until Everyone's a Millionaire.") A recent Colorado television ad showed some bandsome scenery — the state's lottery supports parks — and carried the

lines: "Open space. Never to be developed. Purchased with your lottery dollars."

The Massachusetts state legislature has taken among the most drastic steps, slashing the lottery's advertising budget from \$12 million a few years ago to \$400,000 this year. Virginia forbids its lottery from sending direct mailings to targeted customers. Minnesota prohibits ads that encourage playing the lottery as a means of relieving personal financial problems, that laud

Continued on page 4

Ghosts of Afghanistan

A holy war the U.S. helped wage has found new targets.

By Philip Shenon

2



Republican Retreat

Election-year politics put Newt's army in disarray.

By Adam Clymer

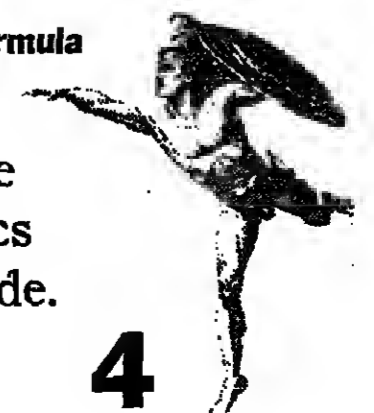
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Grecian Formula

Why the Olympics were nude.

By Tom Kuntz

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The World

Holy War Is Home To Haunt the Saudis

By PHILIP SHENON

WASHINGTON
EVEN as he confessed to a terrorist bombing that left five Americans dead last year, the young Saudi still spoke with obvious pride about how religious fervor had led him to join a jihad, or holy war, in a distant Muslim land.

"I did travel to Afghanistan," the 28-year-old, Muslih al-Shamrani, recalled in a televised confession. "I was trained in the use of light and heavy weapons. In Afghanistan, I met people of various nationalities who charged rulers and scholars with blasphemy." He brought his extremism home, joining with three friends to target the Saudi Government and its American backers. "We decided to carry out an act of jihad inside Saudi Arabia," he said.

Their target last November was an American-run military training center in Riyadh, the Saudi capital. And as they acknowledged in confessing to the deadly bombing, Mr. Shamrani and two of the other terrorists were veterans of the jihad in Afghanistan. There, they said, they were schooled in Muslim fundamentalism — and in the means of translating their anti-Saudi, anti-American extremism into violence.

Their holy war did not end when they were beheaded in a public square in Riyadh on May 31 (an execution that, American officials say, cut short an inquiry that might have identified other terrorists). In fact, the executions almost certainly made martyrs of them in the eyes of some of the thousands of young Saudis who, encouraged by their Government, had also made the pilgrimage to Afghanistan, the scene of what American and Saudi policy makers once described as a great victory of the cold war.

When another bomb blast killed 19 American airmen in an apartment complex in eastern Saudi Arabia last month, suspicions

turned immediately to the veterans of Afghanistan. Had they struck again? And could America and Saudi Arabia have unwittingly overseen the training of fundamentalist zealots who are now turning their skills against their former patrons?

'Our Guys'

"These were our guys, they were the heroes who brought down the Soviet empire, and now some of them have come home to cause problems, and not just in Saudi Arabia," said a Saudi official. "There's a lot of anger among them. There is a permanent war going on in their minds."

Anthony H. Cordesman, an analyst with the Center for Strategic and International Studies in Washington, who recently completed a study of Saudi security, says America too has reason for regret. "I don't think it's fair to say that this is America's doing — the Saudi Government was very enthusiastic about this policy of sending young men off to Afghanistan — but we do have to take at least some of the blame," he said. "I don't think the United States realized what the consequences might be."

The foreign foot soldiers of the Afghan war have now been linked to terrorist attacks across the Arab world, from Algeria to Egypt to Saudi Arabia, and also in the United States, where veterans of the fighting in Afghanistan were involved in the 1993 bombing of the World Trade Center in New York.

After the Soviet invasion of Afghanistan in 1979, the United States and Saudi Arabia poured in billions of dollars of arms and equipment to support the Muslim tribesmen who called themselves mujahadeen (holy warriors). In their fight against the Soviet-backed regime, military trainers were sent by the Central Intelligence Agency to the border between Pakistan and Afghanistan.

With Washington's blessing, the Saudi



Saudi terrorists said they were trained in the Afghan wars. In Afghanistan, a holy warrior on guard duty in 1992 finds shelter.

Government encouraged young men to prove their religious devotion by joining the fight, and an estimated 5,000 young Saudis — most of them poor and uneducated — went off to the Afghan battlefields. When the Soviet troops withdrew in 1989, the Americans and the Saudis shut down their aid programs.

No End to Chaos

But the end of the war did not mean the end of the chaos, as factions of the mujahadeen began to fight among themselves. And if there was any loyalty to the United States or Saudi Arabia for their support of the rebels, it evaporated as the faction leaders quarreled over who could be the most xenophobic and violent in the defense of Islam.

The American military trainers left the border. But in a land flooded with weapons

and guerrillas who knew how to use them, the military training centers remained open — schools for another generation of Muslim soldiers, who wanted to learn how to lead a jihad back home.

In Saudi Arabia, their fight appears to have begun with the bombing in Riyadh last November, and many suspect it continued with the explosion at the Khobar Towers apartment complex last month. It is at least possible that the terrorists were trained in Afghanistan by Americans or, more likely, by Pakistanis or Afghans who had worked with the C.I.A.

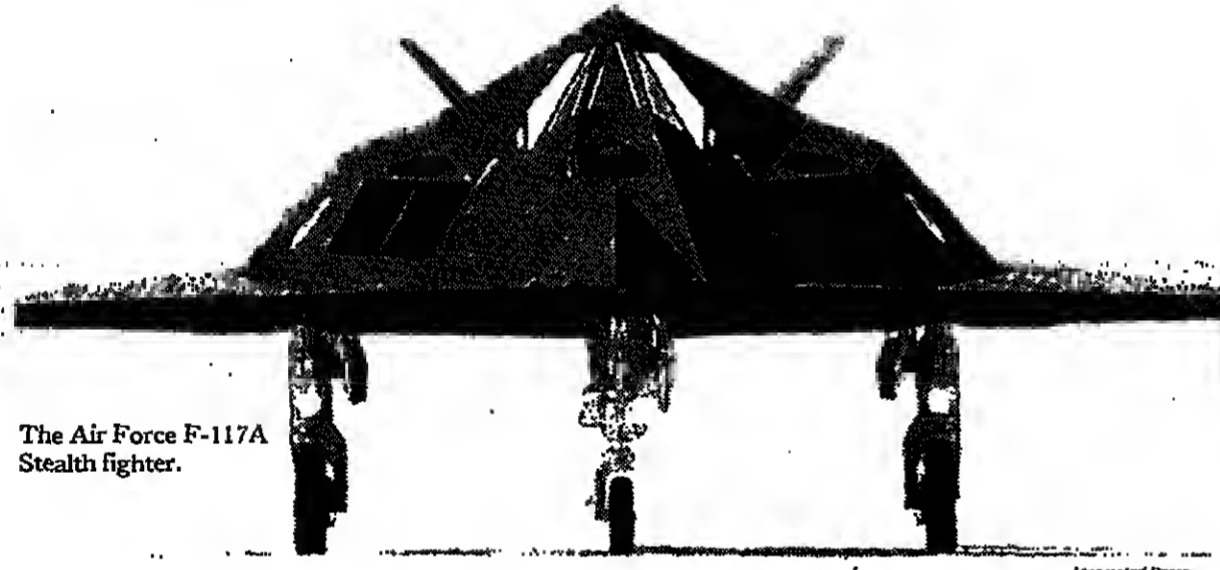
Mr. Cordesman and others who study the region are quick to note that the situation in Saudi Arabia was already ripe for unrest, if only because of the near-collapse of the Saudi economy and the resulting high unemployment rate among young Saudi men — the

very men the Government had encouraged to go off to Afghanistan to fight.

The jihad against the Saudi Government and its American allies may have only just begun. A militant Saudi dissident, Osama Bin Laden, warned last week that the terrorists who carried out the recent attacks were planning new bombings.

The 'Main Enemy'

The bombers will continue to "hit their main enemy, which is the Americans," said Mr. Bin Laden, the scion of a wealthy Saudi trading family. Ousted a few weeks ago from Sudan, which acted under pressure from the United States and Egypt, he issued his warnings from his new base of operations: Afghanistan. "The safest place in the world for me," he said, "is Afghanistan."



The Air Force F-117A Stealth fighter.

Selling Weapons

Stealth, Lies and Videotape

By TIM WEINER

WASHINGTON
LYING finds its highest expression in wartime, when truth is so precious, as Churchill wrote, that it must be shielded by a bodyguard of lies. "All warfare is based on deception," the Chinese general Sun Tzu wrote 2,500 years ago.

Deceiving the enemy is good. But when the war is over, is it politic to keep lying about it to your own people? Perhaps. Plato described the "noble lie" that persuades the people to follow the powerful. Erasmus defined those lies as "falsifications by which the crass multitude is deceived in its own interests."

Deception on the battlefield and the extension of what the Pentagon calls "perception management" to the home front came together in a blinding flash during and after the 1991 Persian Gulf war. America used deception to defeat Saddam Hussein's forces. Decoy tanks mystified the enemy. Diversionary maneuvers misled them. Dazzling technology destroyed them.

Smoke Gets In Your Face

And the smoke the Pentagon blew in Mr. Hussein's eyes wafted back to the United States. Many of the stories about infallible, invisible, almost invariably accurate weapons — selectively detailed, carefully crafted tales told to the American people and the Congress — were at best noble lies.

Well after the air war that devastated Iraq was done, the Pentagon lied about the performance of many of its most advanced weapons systems, particularly the F-117A Stealth fighter, the Tomahawk land-attack missile and laser-guided "smart" bombs, the General Accounting Office reported last week. This, the agency clearly thought, was not so noble.

What military officers and arms makers said about their weapons was "overstated, misleading, inconsistent with the best available data, or unverifiable," the report said. For example, the Air Force told Congress that the Stealth fighter had an 80 percent success rate on its bombing runs. In fact, the rate was more like 40 percent. Why? The accounting office found that commanders defined "success" as launching a bomb or missile, not hitting a target.

The report's authors said these lies were told to help persuade Congress and citizens to buy the next generation of weapons: newer, stealthier fighter jets, newer smart bombs and missiles. Perception management (the phrase dates at least to the early 1980's) made the weapons of Desert Storm look better than they were, as part of a strategy "to justify future weapons spending," said one of the report's authors.

"The better the F-117 looks, the better the B-2 looks," he said, referring respectively to the Stealth

fighter (\$106 million a plane in 1990) and the Stealth bomber (\$2.2 billion a plane in 1996, though it has yet to be tested in combat). The tens of billions of dollars already invested in these smart systems were well spent, the argument goes, and much more money should be spent in the future on newer, better, smarter weapons.

All told, several hundred billion dollars are at stake over the next decade or two. The money means thousands of jobs for weapons manufacturers and the military officers who work with them.

Newer, smarter weapons are very good for Americans if they save G.I. lives and shorten the next war — that is, if they really are better. But the report said that, over Iraq, the fog of war — smoke and sand and wind and rain and even high humidity — befouled the complex sensors and the onboard microcomputers of the smart weapons. It said that they did not perform any better than older, cheaper, dumber weapons. They did not deliver the bang for the buck, and the Pentagon's postwar claims were designed to mislead civilians, to finance new weapons that might work better.

There are peacetime precedents aplenty for manipulating facts about weapons with a view to beefing up military spending. The Air Force warned in the 1950's of a "bomber gap" and a "missile gap," and won the cash to fill them. But as President Dwight D. Eisenhower said in 1961, those gaps were "a fiction" — products of fear, ignorance and secrecy, and exploited by what Eisenhower called "the military-industrial complex."

President Bush claimed that in 1991 Patriot missiles had had a nearly perfect record knocking out Iraqi Scuds. That was not true. The military admits it. But it revived the idea that a "Star Wars" missile defense was within reach — and justified billions more dollars spent for that still-elusive goal.

Find the Foe

When the Gulf war was raging, convincing the enemy that his Scuds were duds seemed a noble cause. When the war was over, convincing Americans that the Patriot and the Tomahawk and the sleek black Stealth fighter were omnipotent was another matter. The nobility of lies told in the name of national security rings false when so many billions are at stake in the debate over the right mix of weapons, one of the report's authors said.

"Tell me," he said, "who is the enemy here?" Perhaps he is. The General Accounting Office's program evaluation division, which over the years has analyzed everything from Pentagon weaponry to auto safety to children's vaccines, spent nearly four years examining more than one million pieces of Pentagon data on the war and interviewing more than 100 pilots, commanders and war planners for its report.

The division is being dismantled, destroyed by budget cuts imposed by Congress this year and last. In a few weeks, it will disappear.

Poland's Leader Leaves A Marxist Past Behind

By JANE PERLEZ

WARSAW
WHEN Aleksander Kwasniewski went to Washington for his first visit as Poland's President last week, he had one overall objective: to dispel the loaded tag-line, "ex-Communist."

Neither the Western-style election campaign with which he unseated Lech Walesa last November nor the general perception that Mr. Kwasniewski's pre-1989 Communism was more pragmatic than ideological had dislodged skepticism in the United States.

After all, Mr. Walesa, the lion of freedom, was everyone's favorite abroad, even though he had become a rancorous, divisive and bullying figure at home. But with early visits to Paris, Bonn and NATO headquarters in Brussels, followed by an adeptly handled trip to Moscow, the telegenic Mr. Kwasniewski (pronounced kvash-NYEF-skee), 41, quickly was embraced in Europe as its style of social democrat. Europe accepted his explanation of his past — that his roots reflected a political expediency and a desire to reform the Communist Party from within.

Now it seems as if he may have succeeded in being accepted that way in Washington, too.

Eyeing the Future

"If a country has changed fundamentally from the ground up like Poland has, Kwasniewski's political world is going to change too," said a White House official who saw the new President operate in Washington. "You're going to have to be a social democrat or be marginalized. Kwasniewski's emphasis is on the future, the future, the future."

Americans are coming to understand, the official added, how significant it is that the victories of former Communists in Poland, Hungary and Lithuania were achieved through democratic elections. In all these countries, ex-Communists are governing with an eye to the next elections, trying to balance the demands of older constituents who hanker for the social security of the past and the desires of the more confident, younger voters who yearn for future growth under capitalism.

To the surprise of many, Mr. Walesa paved the way for his successor's smooth landing in Washington.

The anti-Communist former President had been zealous in his hostility to Mr. Kwasniewski during and after the election. But the ex-President prides himself as



President Aleksander Kwasniewski in New York.

a Polish patriot above all, and he realized that bad-mouthing Mr. Kwasniewski as a "red spider" (as he has called him at home) wouldn't do Poland's image any good.

Last month in Chicago, Mr. Walesa preached tolerance to a gathering of Polish-Americans; a conservatively inclined group that has generally opposed Mr. Kwasniewski. When he was reprimanded for having handed over power to a former Communist, Mr. Walesa appealed to his supporters to remember that Mr. Kwasniewski had been chosen in fair elections. Democracy, Mr. Walesa said, was what the Solidarity movement had fought for. "What did you want me to do, he asked: hang on to power like the dictators Fidel Castro in Cuba and Kim Il Sung in North Korea?"

And at the White House, Mr. Walesa told President Clinton that Poland under Mr. Kwasniewski could be trusted as a reliable ally. With that recommendation, the new leader had a more comfortable platform for his pitch about Poland's desire to join NATO. The Clinton

Washington seems warm to a former Communist who is ruling democratically.

Administration has made it clear that when NATO decides to expand (as is expected next year), Poland will be among the new members.

But this was Mr. Kwasniewski's first opportunity to present the case himself, and he chose a sophisticated approach, according to an Administration official. Instead of stressing the threat of Russia — which is actually much of the appeal of NATO for the Polish people — the new President emphasized that Polish membership could help unite Europe. He told Mr. Clinton that Poland wanted to be an equal European partner in NATO, with the responsibilities that imposes.

"His mantra was very clever: he said Ronald Reagan brought down the evil empire, George Bush helped unite Germany and Bill Clinton could unite Europe," said the Administration official.

Mr. Kwasniewski has, in fact, worked hard to see that Poland has a tenable case as a member of a united Europe. One standard set down by NATO last year for aspiring members was a functioning free-market economy, alongside a democratic political system. When Mr. Kwasniewski's party, the Left Democratic Alliance, won parliamentary elections three years ago, economic reforms begun under the anti-Communist continued. And as President, Mr. Kwasniewski has gone out of his way to court foreign investors.

So when he met with Commerce Secretary Mickey Kantor and addressed the American Chamber of Commerce he had an upbeat message: Growth was seven percent last year, the strongest in Europe. The private sector accounts for about 60 percent of Poland's economy. The middle class is growing, fueling a consumer boom for dishwashers, mountain bikes, electronics and, most of all, cars. Buying on credit, a stark indicator of a middle-class mentality, is taking off.

On Capitol Hill, Mr. Kwasniewski stressed that Poland was not interested in NATO for a free lunch, and wanted to carry the burdens. Already, he said, Poland has reached out to its neighbors to the east, in particular Ukraine, which Washington would like to see knit into Europe rather than into the Russian fold.

With the argument of capitalist Poland as a responsible European neighbor, Mr. Kwasniewski probably went far in obliterating his Communist past, and in the meantime winning some votes in the Senate that Poland will need when it comes to approving an expanded NATO.

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The Nation

The Revolution Is on Hold

By ADAM CLYMER

THE incredible shrinking Republican Congressional agenda, hailed in January as a rare opportunity to test competing political philosophies so the voters could have a choice on Election Day, is now down to spending bills, welfare, the minimum wage increase, safe drinking water, gay marriages and a few maybes.

New curbs on illegal immigrants and portable health insurance coverage are the most prominent of the problematic measures Republicans still also hope to pass. Each has bipartisan support in principle but lots of difficulties in practice. But even if those bills, and welfare reform, make it to President Clinton's desk and he signs them, the 104th Congress will end up with a rather puny record of laws enacted.

The failure to put the Contract with America into law might have been foreseen last winter, when Government shutdowns blew up in Republicans' faces, and they chose not to claim victory but keep on fighting when President Clinton grudgingly proposed a budget balanced in seven years.

The lack of clear confrontation, however,

between an aggressive Republican Congress and a resistant President and his allies has been more surprising. Consider, for example, the list that Dick Arme, the house majority leader, offered in February of G.O.P. measures designed to relieve what he called the "Clinton Crunch," and to "revive prosperity, so that working people can once again earn more and keep more of what they earn."

Mr. Arme's list included a cut in capital gains taxes, tax breaks for families with children, pension protection, regulatory reform, consolidation of job training programs, the end of forced political contributions from union members and a constitutional amendment to limit income taxes.

None of that has happened, and little will be voted on before Congress adjourns. A strong desire to get home and campaign is proving more important, politically, than the chance to try to embarrass the President with another balanced budget. The welfare bill is the only one where Republicans would relish a Presidential veto.

The desire to get back to the voters is strongest among House Republican freshmen, who have been the engine of the revolution. They seem to have concluded that the Senate and the President will thwart their dreams, so they

might as well go home — their legislative goals shelved, not abandoned — and campaign for reelection.

Representative George Radanovich of California, the president of the freshmen class, said, "Everybody realizes the agenda is not going to move forward." And Zach Wamp of Tennessee, pressing House leaders for adjournment before the planned Oct. 4 departure date to allow more campaigning, said, "Every day that we don't have to be here before Oct. 4 increases the chances that a Republican Congress returns" to try again.

But Democrats in the Senate and the White House are not the only obstacle the Republicans face. Serious divisions within their own party are holding up the immigration bill. House Republicans want to authorize states to keep the children of illegal immigrants out of public schools, while Senate Republicans think that is a remarkably foolish idea. The job training bill — a traditionally bipartisan subject — has been taken over by the most conservative forces in American politics. Originally supported by big majorities in both Houses, it now has virtually no chance of becoming law.

As Representative Barney Frank, a veteran Massachusetts Democrat, put it, the Republicans' legislative agenda is crippled because "The right wing won't let them be sensible and the country won't let them be extremist."

Even scaling back has its pitfalls. Mr. Arme and Representative Bob Livingston of Louisiana, chairman of the Appropriations Committee, are squabbling over how early to give up on the passage of 13 separate spending bills and go for a catch-all spending measure. Mr. Arme, responding to the freshmen's desire for a quick adjournment, prefers to move quickly.

But whatever they do, there is not much time. If adjournment waits until Oct. 4, the August

The Republicans' puny record is blamed on election-year politics.

recess for political conventions means only seven weeks are left on the schedule. By Senate standard time, that is somewhere between 21 and 23 working days.

No wonder Senator Trent Lott of Mississippi, the new majority leader, who excelled at delaying tactics when he was in the minority, exploded at the Democrats Thursday, telling senators "to sober up here, now, and get on to the business of the Senate."

None of this is to say that different philosophies won't be argued in election campaigns, even if Mr. Clinton keeps sliding to the center and stealing Republican ideas. Republicans will defend the tax cuts in the budget bills he vetoed, and he will attack them. Democrats will denounce Republican "cuts" in Medicare. Republicans will say they were acting responsibly to slow the rate of growth.

The whole idea of Congress serving as a forum for responsible party government may have been far-fetched to begin with; the pressures of an impending election should have been anticipated. That very notion underestimated, as Thomas Mann of the Brookings Institution pointed out, "the capacity of Senate minorities to prevent majorities from not just enacting laws but even framing choices in ways that work to their advantage." These days, he said, Congress has to take things away, not band out new benefits, and that can only work politically if the two parties share the blame.

Or, as Professor Ross K. Baker, a Rutgers political scientist, put it, the concept of clear party confrontations reflects that "not only journalists but academics are looking for elections to be a hinge of history." But a classic seepie battle, with armies in different colored uniforms marching in straight lines, is a concept, like party government, more European than American. Since the real Revolution, he said, "Americans have always favored fighting from behind rocks, in camouflage."



Republican Representatives John Kasich, left, and Bob Livingston at a press conference.

Will Voters Welcome a Perot Encore?

Continued From Page 1

days before that he was seeking the Reform Party's nod — only deepened suspicion that he was motivated by thirst for the limelight.

Mr. Lamm sees Mr. Perot's personality — or the caricature of it — as the billionaire's biggest liability. The Reform Party, Mr. Lamm said, "needs a new face" and a leader "who doesn't just for the office." But most political analysts expect Mr. Perot to win the nomination next month, if only because his paid loyalists dominate the party's hierarchy — which some say is more of a vehicle for Mr. Perot than a true political party.

Mr. Perot should never be written off. The general election is almost four months away. And his showing four years ago surpassed most predictions: In the New York Times/CBS News polls from August 1992 until just before the election, Mr. Perot consistently drew several points less than his actual tally on Election Day.

Still Drawing

Polls still show him drawing in the double digits — which could start to look threatening if the race tightens. He would have \$32 million in Federal subsidies at his disposal. And judging by the coverage of his long tease about whether he would run, it seems the press may still devote generous attention to Mr. Perot. And he remains credible on campaign finance reform, an issue on which Mr. Clinton and Mr. Dole, for all their flirtation with the subject, have not delivered.

"We're within striking distance of 33 percent in a three-way race," said Russell Verney, the political director of the Perot drive, who added that "with the train wrecks and gridlock" there

is still a craving for a Washington outsider.

At the very least, Mr. Perot, through his commercials and his participation in the political debates, could prove valuable in framing the debate — prodding Mr. Clinton and Mr. Dole on issues much as he did with the deficit last time.

The looming question is whether he could significantly chip away at Mr. Dole's or Mr. Clinton's support. Though polls show Mr. Perot would draw evenly from the two major parties, Republicans fear competition for the anti-Clinton vote. And as a fiscal conservative who also supports abortion rights, Mr. Perot might draw moderates whom Mr. Dole needs.

Most of the people who voted for Mr. Perot in 1992 were Republicans, and they flocked back to their party in large numbers in the 1994 Congressional races. The most recent New York Times/CBS poll shows that in a two-person Presidential match, those who backed Mr. Perot in 1992 would break for Mr. Clinton over Mr. Dole, 51 percent to 32 percent. But polls show that those inclined to back Mr. Perot this year include more who would ordinarily vote Democratic.

White House officials, while generally relieved, are not ready to pronounce Mr. Perot a godsend. "Things are so muddled on all this that we're not really into this whole third-party mode right now," said Douglas Sosnik, the White House political director. "You can go crazy on this stuff. It's so unformed that it's not a productive use of energy."

Mr. Perot's potential potency would also depend on how he conducts his campaign. Would he find a more dynamic running mate than the flighty Adm. James B. Stockdale? Would he settle on new issues that could drive the campaign? Would he heed the advice of professional advisers, or run the show as he did last time?



Waiting for Perot at a Reform Party meeting in Orange County, Calif., last month.

The popular appetite for an alternative to the two major parties' offerings has surely not been exhausted. But the candidates who had demonstrated appeal to voters — Senator Bill Bradley of New Jersey and Colin L. Powell come to mind — opted out of independent bids.

That leaves Mr. Perot, once again, or possibly Mr. Lamm, as the vessel for the cranky independent voter.

But the Texan, after months of insisting that "this is not about me," seems happy to oblige.



Dan Hoffman, an airline pilot, cries during a memorial service last month in California for his colleague, ValuJet pilot Candalyn Kubeck.

How Airlines Add Insult to Tragedy

By MATTHEW L. WALD

A COUPLE of weeks after 25-year-old Peter Frank was killed in the crash of a Northwest Airlines jet taking off for California from Detroit, his mother got an unexpected package in the mail from the Wayne County Police Department.

Abby Frank, who says she never heard from the airline, and even now, nine years later, doesn't know how the police got her address, opened the package and found her son's wallet, smelling of smoke.

"To have this just appear in the mail was such a grotesque, stomach-dropping feeling," she said in an interview last week.

Ignorance or Greed?

What Mrs. Frank found out that day has been discovered by others: that the tragedy of a plane crash may be compounded by ignorance, insensitivity or even greed.

Hearing post-horror horror stories, Congress is considering new approaches, like bringing in the Red Cross, which has long experience in handling disasters. But the airlines are resisting. Their trade association submitted testimony to the House Aviation Subcommittee saying that third parties would mean complication and delay. But the next of kin say it would reduce an outrageous conflict of interest, in which the liable party tries to be the consoler.

The airlines say they are doing everything they can; ValuJet pointed out that it flew the victims' families to Miami and provided them with hotel rooms and cars after the May 11 crash in the Everglades.

The victims, meanwhile, are turning into an interest group. At the National Transportation Safety Board's hearings last week on the American Eagle crash in Roselawn, Ind., in October 1994, people who had relatives on that flight sat in reserved seating; many wore pins with the date and place of the crash. Relatives often appear at hearings now with photos of the dead passenger taped to their chairs or shirts.

In a break in the proceedings, where were held here, Douglas Smith said he could never forget the second call he got from American Eagle, about 12 hours after the plane crash. He knew his 30-year-old daughter, Alison Field, was aboard, and the moment he heard about the crash he knew she was dead, which the airline's first call confirmed. But in the second call, it insisted that she had not been on the plane.

"For about two-tenths of a second, I had hope," said Mr. Smith, and that made reality even harder.

M. Victoria Cummock had lots of hope that her husband did not die on Pan American flight 103, and so, somehow, did Pan American, even 20 hours after its plane exploded over Lockerbie, Scotland, in December 1988. Ms. Cummock's husband, John, was supposed to return in time for Christmas but had not told her exactly when. His boss rang the Cummocks' doorbell in Coral Gables, Fla., 12 hours after the crash, to ask Victoria if she had heard about John.

Call Back Later

Surely, Ms. Cummock thought, if he had been aboard, she would have had some official word. She called Pan Am in New York, but it took five hours to get through. Then, she said, a company representative told her that the airline was checking the hospitals for survivors, despite the fact that the plane exploded at 31,000 feet. Call back later, the representative said.

The first authoritative confirmation that Mr. Cummock's body had been identified came from the BBC; her sister in the Caribbean heard it on the radio.

Other families testified to the House subcommittee that they got the news from messages Pan Am left on their answering machines, telling them that a relative had died, and to call back if they had questions.

The airlines say that they can generate an instant list of who was supposed to be on the plane, but knowing with enough certainty to tell a family requires matching the tickets collect-

ed with the names on the manifest, which takes time.

Mr. Smith, whose daughter died in the American Eagle crash, founded the National Air Disaster Alliance and Foundation, made up of 10 family associations, each of them tied to a single crash. Last month he pushed for a uniform national system, giving the Safety Board, which already has prime authority to investigate crashes, the power to call in the Red Cross to deal with the families.

James E. Hall, the safety board chairman, who has made a practice of recognizing the families' presence at hearings and organizing private briefings for them, testified at that hearing: "Family members are demanding more accountability and more services in the aftermath of an accident. I believe that most of these demands are just common sense."

Ms. Cummock testified, "There is no other industry in this nation where the victims and their families are left solely in the hands of the company that just killed them."

In some cases, she and others say, families that gave the airline medical records to help in sorting out the human remains later found that the airlines or their insurance companies used other information from the health records, like cholesterol counts or information on previous surgeries, to argue in settlement negotiations that the likely remaining life of the person who died was not long anyway, and so only a small cash settlement was in order.

Mr. Smith said, "They try to devalue the life of the person they've just killed." In the hours after a crash, he said, this sometimes takes the form

Next-of-kin say that they become victims, too.

of probing the relationship of the dead passenger with the family, to determine if this was a breadwinner or a seldom-seen black sheep.

The airlines say they have assembled "care teams" to help relatives cope with the details of such a loss and hold their hands. But many families point out that these teams are often made up of reservations agents and airline counter clerks, not trained mental health professionals, who can tell, for example, when it is appropriate to ask for more physical details about the passenger and when to stop.

There have been some changes recently. Partly because of the insistence of Mr. Hall, emergency personnel from Dade County arranged for families of the ValuJet passengers to visit the crash site, a step that crash experts say can be crucial to help relatives accept the truth.

Not all airlines do this, however. After the American Eagle crash, Pat Hansen, whose brother Frank Sheridan died, says she was told by an airline representative that if she insisted on going to the site, the airline would not return his remains.

The remains, very often in pieces so small they are hard to identify by body part, let alone to tie to a particular passenger, are a touchy and difficult problem. After the USAir flight 427 crashed on approach to Pittsburgh in September 1994, the airline, without the victims' families knowing, buried 38 caskets of unidentified body parts. Later it erected a monument that made no mention of how they died.

And at a safety board hearing held four months after the crash, the airline and the families were still squabbling over return of the victims' personal effects.

Families and ValuJet are waging a similar battle. Personal effects can mean a lot to relatives who have only fragments to bury. But the airline argues that the effects of the victims are technically hazardous waste, because of the risk they carry disease. Survivors suspect sinister motives.

Ms. Cummock said the problem was the conflicted interests of the airlines. "The last thing they want is for someone to walk into court with a tattered briefcase or purse and say, 'This is what happened to my wife, or my son,'" she said.

Ideas & Trends

The Guy Who Ate a Cow, And Other Olympic Stars

By TOM KUNTZ

A HURRICANE missed Atlanta last week, but of course figuratively the wind will blow hot and heavy this week as the Summer Olympics finally get under way amid what seems an interminable media drum roll. Hype enough for you?

In the face of this, it is tempting to hark wistfully back to an ancient Olympic time of simple, unadulterated sportsmanship. But alas, to peruse the sober scholarship of Greek antiquity is to quickly realize that in practice the original Games were often to the lofty ideal what the shadows on the cave were to Plato's Forms.

"The games of antiquity were not the hallowed celebrations of amateur athletics which we are often led to believe," notes David Gilman Romano, curator of the Mediterranean collection at the University of Pennsylvania Museum, in a new video lecture, "The Ancient Olympics: Athletes, Games and Heroes." In fact, he adds, "the ancient Olympic Games were in many ways much like the modern Olympic Games: they were intrinsically political, nationalistic and commercial."

For more than 1,000 years, beginning around 776 B.C., famous athletes, princes and statesmen gathered every four years at Olympia in western Greece to compete for olive crowns in honor of Zeus. These contests provided the model for the modern Olympics begun 100 years ago in Athens.

And what a model they were. Of course, human foibles always accompany the quest for excellence. Consider:

The original Olympics were nude. It's a mystery exactly why Greek athletes doffed their trunks, providing inspiration for much of the world's great sculpture. But in his survey of art history, "The Creators," Daniel J. Boorstin recounts the irreverent legends.

"Perhaps the new fashion was set when Orsippus of Megara, at the Olympics in 720 B.C., lost his shorts in the middle of his race," he speculates. "He won anyway, and others followed his example of nudity." Or, Mr. Boorstin adds, it could have been that at one of the races the leading runner's shorts slipped down and tripped him. "To prevent such accidents in the future, an edict required contestants to be naked," Mr. Boorstin writes.

So Vain

But he and other scholars add that the Greeks might have just been proud of their full frontal hunkitude, especially when their bobs were compared with those of "barbarians" who covered themselves up.

The Games, meant as a symbol of peace, weren't so peaceful. The much-vaunted, monthlong Olympic truce was necessary to protect travelers to the Games because the Greek city-states were continually at each other's

throats. (Marathon was a battle site back then, not a race.) For centuries the neighboring city-states of Elis and Pisa battled for control of the Games, Mr. Romano notes, and in the fourth century B.C. a battle involving thousands of troops took place at Olympia in the middle of the sanctuary of Zeus — during the pentathlon.

In addition, the Games themselves were militaristic. Such events as the long jump, javelin throw and a clumsy foot race in body armor tested one's fitness for battle.

Smite and Gouge

The Games were frequently brutal. Particularly violent events were boxing and the pankration (pronounced pan-KRAT-ee-ahn), a combination of wrestling and bare-knuckled boxing.

Depictions of boxing on ancient pottery suggest that you might really give a Thracian a thrashing, since it was O.K. to smite your opponent when he was down, writes Judith Swaddling, an antiquities expert at the British Museum, in "The Ancient Olympic Games." Boxers protected their fists with wraps of oxhide thongs capable of inflicting nasty welts. Also, Mr. Romano notes, gouging was permitted, with all fingers except thumbs.

Tripping was allowed in wrestling, as were kicks and strangleholds in the pankration. A common opening move in the pankration was breaking one of your opponent's fingers to gain an early submission. Sostratos, a pankratiast from Sikyon, was famous for this, Ms. Swaddling writes, and "became known as 'Mr. Finger Tips.'"

Cheating was not uncommon. Athletes rubbed themselves up with olive oil as a protection against dirt and the summer sun, but wrestlers were supposed to dust themselves with a powder. Some cheated, sneakily rubbing an oily hand over some part of the body to make it too slippery for an opponent to grab.

Cheaters could be punished by whipping or fines (even a false start in a footrace could earn you a flogging). Pausanias, writing in the second century B.C., reported that the athletes' path to the stadium was lined with statues of Zeus financed with fines paid by cheating athletes. Each statue's inscription told the cautionary tale of the offense. One boxer who bribed three others was socked with a fine so heavy it paid for six statues.

The distinction between "amateur" and "professional" was blurred. Sound familiar? Olympic competitors were typically men of wealth who could afford to pay their way to the Games. But other citizen-athletes expected to be paid for the glory they brought to their hometowns and, in a foreshadowing of modern free agency, were sometimes bribed to switch allegiances. The quest for lucre may have inspired the world's first sports salary cap when, Mr. Boorstin notes, Athens adopted a limit of 500 drachmas on Olympic victory grants (five years' earnings for a workingman). That didn't include perks like free meals for life at city hall.



The long jump, circa 560 B.C., as depicted on a vase. By one theory, jumpers carried weights for momentum.

Women were largely excluded. There were separate games for (clothed) girls at Olympia in honor of the goddess Hera, but any married woman caught at the Olympics, even as a spectator, was to be "pitched headlong" from Mount Typaëum, Pausanias wrote.

Losers really were losers. While athletes were expected to show respect for the gods and fellow men, there was no premium placed on being a "good loser," Mr. Boorstin writes. There was no prize for second place, and a defeated athlete never congratulated the victor. Because boxing matches ended with either a knockout or an admission of defeat, Spartans did not box at the Games. The Olympic poet Pindar wrote that losers returned home in shame: "By back ways they slink away, sore smitten by misfortune."

Victors, on the other hand, were like gods. Life-size statues were typically erected to honor victors, both at

Olympia and back home. Mr. Boorstin writes of Eubaus, a self-confident runner from Cyrene who arrived at the Games in 408 A.D. with his own statue in tow.

Even more godlike, albeit in the fallible Grecian sense, was the champion wrestler Milo, also a legendary après-competition reveler. At Olympia, he is said to have eaten an entire cow, and on a bet, at a festival, he downed three choal (some nine liters) of wine. But Milo went for the gusto once too often, Ms. Swaddling says:

"While out in the forest one day he came upon a newly cut tree trunk with the wedges in place ready for it to be split open. He decided to use his own strength to force it apart. The wedges flew out, but his hands were trapped, and by night he was eaten by wild animals."

So much for the gods of sport. The Games were abolished under Roman rule in the late fourth or early fifth century. But the tradition lives on today, in Atlanta.

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Muting the Lotteries' Perfect Pitch

Continued From Page 1

winner or denigrate those who do not play.

Working at cross purposes to these good intentions is the fact that many states, voracious for lottery dollars and realizing that new games must be introduced to keep the money flowing, are bringing out newer, faster games, and are spending heavily to promote them.

But what is now gaining increasing attention is not just the propriety of the government urging people to wager frequently — particularly since research shows that poorer people are often the heaviest purchasers of lottery tickets — but the almost total lack of regulation over the advertising. Some experts maintain that this has made state governments the unwitting torchbearers for one of the country's most lucrative industries: casino gambling.

The reason is that the states are exempt from Federal laws that prohibit certain kinds of casino advertising. Casinos can advertise their entertainment or recreational operations but, unlike the states or

country, no question," said David Gale, president of the North American Association of State and Provincial Lotteries. "The idea of combining gambling and government has created great acceptance."

The second consequence is that there have been several legal challenges that might result in a lifting of the ban on casino advertising. In the principal case, a Las Vegas television station argued that the Federal prohibition was unconstitutional because it violated its First Amendment rights. A Federal District Court ruled in the station's favor several years ago, and an appeals court is expected to hand down its ruling soon.

Several legal experts said the prospect of a victory for the casinos was greatly enhanced recently when the Supreme Court struck down a Rhode Island law that had banned liquor stores from advertising prices. "We lived with this prohibition because, for a while, no one else could advertise either," said Janet Rogers, who argued the case for the TV station. "But when everyone else was permitted to do it, we decided enough is enough. This is extremely discriminatory, and that's the issue."

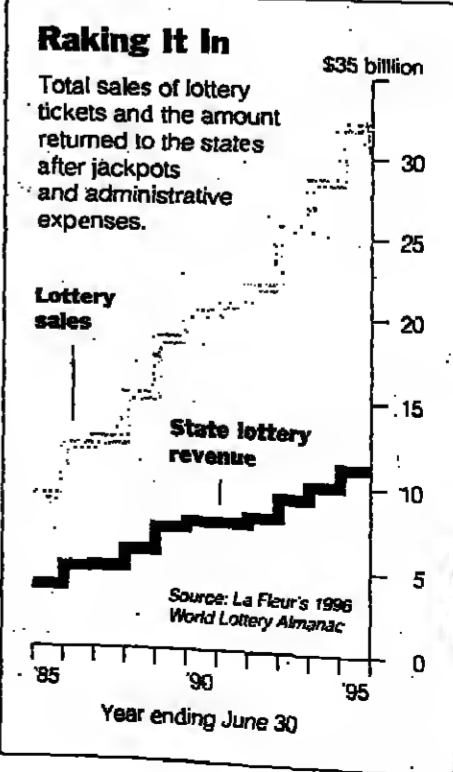
Ultimately, the reason lotteries advertise so heavily and casinos are fighting for the right is that it works. Sam DiPhillipo, head of the Massachusetts lottery, said his state's drastic cuts would undoubtedly hurt: "It is my belief that, while it won't have an immediate effect, long term it will have a real impact. Jackpot awareness is everything in this business."

With lotto fever rising, more states question their role in promoting gambling.

Indian-owned casinos, they are prohibited from mentioning or displaying wagering itself. No cards, dice or roulette wheels, and certainly no claims of the riches awaiting those who play.

The states are even exempt from Federal truth-in-advertising laws, which might force lotteries to disclose the fact that the odds of winning — typically millions to one — and the total winnings paid out are lower than in just about any other game. The states pay out roughly 50 percent to 60 percent of the income from ticket sales in jackpots. By contrast, Las Vegas slot machines generally pay out more than 95 percent, and table games 85 percent or more. "The lottery is the worst game in terms of payout, but it is the dream bet," said William Thompson, a professor of public policy at the University of Nevada at Las Vegas. "That's why it is ideal for the poor person."

This imbalance has produced two unanticipated but important consequences. One is that many experts credit state lottery advertising for having made possible the rapid spread of casino gambling over the last seven years. The states, these experts argue, sanitized the once-unseemly image of the casinos. "Lotteries did pave the way for other forms of gambling across the



אשכולי

ECONOMY

With Citibank's Push, the Ante Rises in East Asia

By SAUL HANSELL

KUALA LUMPUR, Malaysia
IT LOOKS LIKE a private club. Guarded door. Tea served in plush green chairs. Marble fountain. Chandeliers.
Actually, it's the exclusive reserve of Citibank customers here with more than \$120,000 on deposit, part of a program called Citigold that treats customers like first-class airline passengers. And it's a far cry from what such people were accustomed to at competing banks. No standing in line with the lift-off here; each customer has a personal banker, just as the super-rich do.
On the traffic-clogged streets outside, 180 Citibank representatives are selling credit cards door to door in neighborhoods where young professionals in Malaysia's fast-growing middle class work and live. On this sticky afternoon, Vincent Kuana has just returned to the office with three completed applications for credit cards. Before he joined Citibank he had worked for an Italian designer in a chic boutique.
"This is easier to sell," he said. "The Citibank name just sells itself."

From a standing start eight years ago, Citibank has taken Malaysia by storm. Its Citigold program has attracted \$1.5 billion in deposits from 4,000 clients, one-fifth of all the people who qualify. It is the leading credit-card issuer and mortgage lender. Indeed, it does some business with 13 percent of the country's households.
It is a feat, with minor variations, that Citibank has accomplished across Asia and the Pacific.
On fashionable Toorak Road in Melbourne, Australia, a woman walks into a Citibank branch to seek its special home mortgage that allows additional borrowing for other uses. Instead of talking to a banker there, she is shown into a television booth where she can talk to bankers in Sydney. Soon the system will let Citibank take loan applications and offer investments face to face by television 24 hours a day. In a market where Citibank has two dozen branches and its competitors have 1,000, both the mortgage product and the video technology let Citibank act bigger than it is.

Forty-five minutes by ferry from Hong Kong is an island, Cheung Chau, its harbor filled with wooden fishing boats. They call this Treasure Island, the Citibank branch manager there, Funk-Chi Kang, said. "The fishermen here are very rich." And Citibank now holds a good share of their deposits.
With superior service, aggressive sales techniques and innovative technology, Citibank has established itself as the pre-eminent banker to Asia's rapidly growing middle class. And it has done so against odds that discouraged, nearly every other in-

ternational bank — cultures that frown on borrowing, governments that impose stifling restrictions on foreign banks, and a lack of basic services like credit bureaus and good phone connections.
Asia is its fastest-growing region, but Citibank has also moved aggressively into consumer banking in Latin America and has a budding presence in Eastern Europe and the Middle East.

All told, consumer banking in emerging markets contributed \$787 million in profit to Citibank's parent, Citicorp, in 1995, up from almost nothing a decade earlier. And the margins are rich. The consumer business in emerging markets, while accounting for only 12 percent of Citicorp's assets, brought in 22 percent of its operating profits. That combination produces an enviable return on assets of 23 percent — double what many well-run, big American banks earn.

The creation of a consumer-banking business in the developing world is the one clear success in John S. Reed's 12 years as chairman of Citicorp. Under Mr. Reed the company has lost \$5 billion on bad real estate loans and frittered away billions more on computer services, European stock brokerages and other misadventures.

But when it comes to consumer banking in Asia, he has earned the respect, even the envy, of many competitors. "Citibank has done a great job in blazing the trail, especially in high-risk markets in Asia," said Thomas O. Ryder, president of American Express International, which lost its early lead in the region's credit-card market and now plans a comeback.
"We've let Citibank get ahead of us" in Asia, said William Purves, chairman of HSBC Holdings, parent of the Hongkong and Shanghai Banking Corporation, the only bank in the world more profitable than Citicorp. And that has happened even though HSBC, now based in London, has had a huge presence in Asia that dates back to the British colonization of Hong Kong.

Consumer banking in emerging markets has been so successful for Citibank, in fact, that Mr. Reed is stepping up his bet in this business. Now that his company has recovered financially and is quite profitable, it can afford to do a lot of things. But this time Mr. Reed is making fewer bets, and his biggest is attempting to catapult the Citibank name into the pantheon of high-status global brands alongside Coca-Cola, Mercedes-Benz and Sony.
"We have the biggest opportunity of any company in the world now," Mr. Reed said last month in his first interview for an American publication in four years. "We deal today with about 55 million customers. There are literally hundreds of millions of customers in the global marketplace who, in one way or another, need consumer financial services."

Mr. Reed has an additional plan that may well be as risky as his consumer-banking strategy. He wants to double the number of corporate customers in emerging markets by beginning to serve much smaller companies, fighting local banks on their own turf.
At the same time, Mr. Reed has decided not to follow the fashion among other big American and European banks. Unlike many competitors, he has forsworn buying regional banks in the United States or merchant banks in London. He is serving fewer large corporations. And after sticking with real estate lending through five painful years, he has decided to leave that business entirely.

Even what remains of Citibank's dealings with United States corporations is largely molded to emphasize the emerging markets. The only business Citibank wants with big Western companies is that which takes advantage of its locations in nearly 100 countries, the most of any bank in the world.
But Mr. Reed's heart is warmest for consumer banking, having begun the company's big push into that business 20 years ago. In five years, he expects consumer banking to represent 80 percent of Citicorp's profits, up from 55 percent today. He says that in a few years, Citicorp may well sell or spin off its corporate banking business entirely, leaving a consumer-services company with faster growth, less volatility and, he hopes, a higher stock price.
Mr. Reed thinks this may be the best way to raise his company's share price from a lowly 11 times earnings — typical for a bank — closer to that of a consumer-products company like Coca-Cola, which has a market-beating multiple of 38.

That Citicorp's fate is tied closely to the emerging markets can be seen best in the six executives Mr. Reed promoted to top jobs, presumably making them candidates to replace him. One is from Pakistan, one is from Argentina and one is from India.
In the years before Mr. Reed, who is 57, retires, he appears more intent than ever to avoid more catastrophic losses. But that is difficult in the emerging markets. As Citibank discovered again in Mexico last year, a war or economic upheaval can transform today's Asian tigers into tomorrow's wounded alley cats.
As a sign of his new discipline, Mr. Reed has slowed Citibank's growth in Hong Kong so that its largest foreseeable loss after China takes over the territory next year is \$400 million.
But Mr. Reed's new path has many other perils. Most of the bank's previous forays into small-business lending have been disasters. The biggest local banks in emerging markets are becoming more sophisticated, often hiring

away Citibank-trained bankers to help them compete. Dozens of international companies, including banks like Chase Manhattan and HSBC, are trying to poach on Citibank's turf. Citibank must also fight off new competition for its older business in these countries, serving big local and multinational companies.
Finally, the effort abroad could distract Citibank as it tries to shore up its faltering position in the United States. The bank's market share for credit cards, by far its most profitable business, has been falling to 22.1 percent in 1995 from 25.6 percent a year earlier. And its name now has far more cachet in Singapore than in St. Louis.

Being a pioneer has allowed the bank to establish margins much higher than those in more competitive markets. In Asia, Citibank charges interest rates of 24 to 40 percent annually on its credit cards, and annual fees can top \$100. People pay these rates because their only alternative is to borrow from loan sharks at rates of 60 to 72 percent, according to Rajive Johri, the head of Asian credit-card programs for the bank.
Citibank approached local entrepreneurs to start telephone-sales and mailing-list operations, collection agencies and courier services in places where these services were not available.
The most daunting obstacle in most emerging markets is the lack of credit bureaus with records on deadbeats. In a technique perfected in the United States, Citibank approved nearly all of its first small batch of applications in each country. Many of these customers defaulted, but the loss patterns were fed into a computer model to figure out which occupations, locations and demographic variables produced good prospects and which produced bad ones.
It didn't always work. When interest rates hit 40 percent in 1989, thousands of Filipino mortgage customers defaulted. But over all, Citibank's profit margin on lending to consumers in Asia, even after its credit losses, would make most bankers drool.
It is a topic bankers are reluctant to discuss, but people in some cultures are much more likely to avoid default than others. Losses in Singapore are one-half of 1 percent of credit-card balances, compared with 4 percent in the United States. In the Philippines, under normal circumstances, the rate is 5 percent, and in much of Latin America it is closer to 6 percent. On the other hand, 70 percent of Latin American card holders carry a balance, paying interest to the bank, compared with 30 to 50 percent in Asia.
Despite the skeptics who said it would be hard to persuade Asians to borrow, Citibank found it easy, especially in attracting the young and upwardly mobile.
"They said Hindus wouldn't borrow, the Muslims wouldn't borrow," Mr. Johri said. "We broke through all the myths." Now Citibank's average credit-card account in Asia, where it has issued six million cards, has a balance of \$1,000, a figure approaching the \$1,700 that Americans carry on average.

In consumer deposits, Citibank's branches in 24 countries in its Asian region, including Australia and the Middle East, have deposits of \$33 billion. Branches in 17 Latin American countries have deposits of \$8 billion.
Combined, Citibank has almost as much in consumer deposits in the emerging markets as it does in the United States.

Mr. Reed hired William Campbell, former chairman of Philip Morris USA, to run the new global branch-banking business. His assignment: Make Citibank as compelling a brand in banking as Marlboro is in cigarettes.
How? Mr. Campbell says he wants to improve Citibank's service so that customers will feel viscerally that they have put their money in the right hands. "I don't think that many people feel about their bank the way they feel about Disneyland," Mr. Campbell said. One way to do this, he said, is for Citibank to capitalize more fully on the value of its worldwide branch system.
The bank's automatic teller machines now offer cash, account information and transfers among accounts in 11 languages to traveling bank customers. But the bank wants to offer travelers more languages and more advanced automatic-teller functions already available in their home countries, including bill paying and stock trading.
Citibank is also spreading its consumer banking into more emerging markets. This year it will enter Turkey, Poland, Peru, Costa Rica, Jamaica and Trinidad. On the horizon are Egypt, South Africa, the Czech Republic, Vietnam and maybe Bangladesh. The rest of Africa does not look appealing, bank officials say. Nor does Russia right now, at least until its political and economic cli-

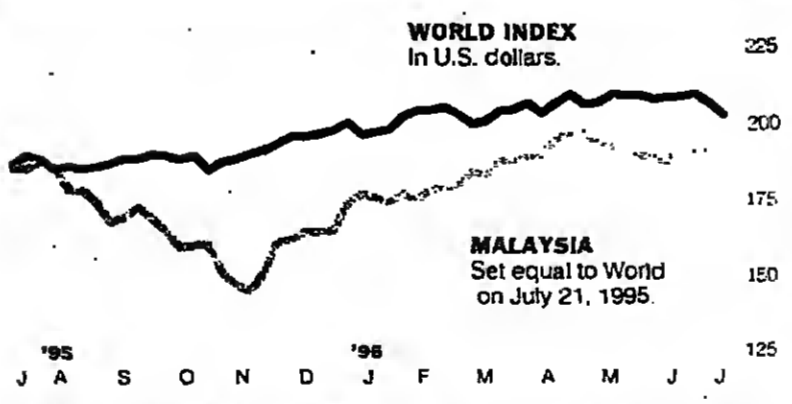
mate settle down. But the bank is eager to march into China as soon as the Government there will let it.
Citibank's success has not been lost on the competition. Now HSBC has copied the popular Citigold program for large depositors, like the one in Kuala Lumpur. And American Express has introduced a credit card in Hong Kong with an 18 percent interest rate. For now, Citibank and the other big banks are trying to hold on to their 24 percent level, but executives concede that the rate will eventually come down.
Citibank's consumer-banking business has been growing briskly for 20 years, but the bank has remained a big force in corporate banking, from arranging syndicated loans to trading currencies. Indeed, even during the hard times, Mr. Reed kept nearly all of these businesses intact, even financing for commercial real estate.
But all that has changed in the last year, as Mr. Reed developed a new growth strategy for the bank and concluded that such businesses, with their low margins, are often too risky. So he quietly dismantled the commercial real estate unit, shed \$10 billion in assets from its trading account, and pared the client list of big American, Japanese and European borrowers by more than 25 percent.
"The market is overpopulated with banks, overcapitalized, and the pricing stinks," Mr. Reed said. "Being a great me-too corporate bank simply means your stockholders earn 10 to 11 percent return, which in our mind is not adequate." The corporate goal is an 18 percent after-tax return on equity, which was reached in 1994.
And he worries that the volatility of corporate banking will distract investors from the more stable and profitable consumer franchise. Consumers as a group borrow a large amount and do less comparison shopping than big companies, resulting in higher profit margins. And losses tend to be more predictable, closely tied to unemployment rather than to bigger and less predictable crises that roll through various industries.
Why not just sell or close the corporate-banking part of the business? Mr. Reed says Citibank might well do that in three to five years. But until then there is some money to be made from corporate banking related to emerging markets.
For one thing, multinational companies that battle over every hundredth of a percentage point on loans in the United States happily pay Citibank a better return for the services of its far-flung branches in Vietnam or Slovakia. Citibank will keep this business for now.
Second, Citibank wants to expand business with local companies in emerging markets. Recognizing that its market share declines as these economies evolve, Mr. Reed has decided to fight harder to keep this business by becoming "embedded" in a market. That means looking home-grown, with local people serving as senior executives and lending policies aligned with government development priorities. Most significantly, it means lending to businesses smaller than the top-tier companies at which Citibank has historically taken aim.
Citibank has already had some success at middle-market lending in Asia through its decade-old commercial finance company in Hong Kong. Losses are well under 1 percent. But banking history shows that any time an army of loan salespeople descends on a new territory far from the home office, bad loans are likely to follow.
The executive who oversees Citibank's corporate banking in emerging markets, Dionisio R. Martin, concedes that bad loans to business are bound to increase as a result of this new push. But that's from a microscopic loss rate now of 15-hundredths of 1 percent. He argues that Citibank will move slowly and deliberately — pilot programs first — so losses will stay below 1 percent. "We are not going to go crazy," he said.
For all the risks abroad, perhaps the bigger threat for Citibank is what it gives up by focusing so much on emerging markets. The United States, Europe and Japan still represent the vast majority of wealth and economic activity, even if their growth is slower than that of Asia and Latin America.

Citibank has actually had the most impact in nations where the banking industry is least developed, including India, Pakistan, Indonesia and the Philippines. In India, for example, Citibank introduced the nation's first car loans just as Japanese auto makers were introducing cheaper cars there.

WORLD STOCK MARKETS

Country	PERFORMANCE IN U.S. DOLLARS				IN LOCAL CURR.			
	Index	Week % Chg.	Week Rank	YTD % Chg.	Index	YTD % Chg.	Dividend Yield	YTD % Chg.
Australia	196.05	-2.4	20	3.2	17	4.50	163.54	-3.7
Austria	179.83	-1.5	13	3.0	18	1.98	142.27	9.6
Belgium	206.95	-2.0	18	-1.1	22	4.16	160.10	5.5
Brazil	189.70	3.2	1	37.5	1	1.86	351.00	42.2
Canada	234.32	-0.6	8	1.6	20	4.18	223.80	1.7
Denmark	159.35	-0.4	6	7.4	9	2.29	158.06	7.8
Finland	304.49	0.1	5	5.4	13	1.89	242.89	11.8
France	190.72	-1.1	10	1.9	19	2.68	186.24	9.2
Germany	181.43	-2.1	19	6.7	12	3.11	154.76	12.4
Hong Kong	170.91	-0.7	9	4.4	15	1.84	135.29	11.1
Ireland	277.61	-1.9	18	8.6	6	3.50	245.82	9.3
Italy	79.80	-3.3	23	8.3	8	2.41	91.34	4.6
Japan	149.05	-2.8	21	-3.8	25	0.73	104.26	-3.2
Malaysia	562.57	0.3	4	18.0	2	1.66	540.03	13.8
Mexico	1,146.02	-3.8	25	10.6	3	1.39	9,569.74	9.7
Netherlands	291.14	-1.4	12	6.8	11	3.17	227.12	13.8
New Zealand	80.65	-1.2	11	1.3	21	4.36	62.28	-3.7
Norway	252.66	-0.4	7	9.2	5	2.03	223.13	12.5
Singapore	398.88	-3.8	24	-2.5	23	1.46	259.80	-2.1
South Africa	349.50	-3.8	26	-9.3	26	2.15	337.26	9.8
Spain	177.00	-1.6	14	7.2	10	3.40	171.67	13.1
Sweden	344.14	-2.0	17	10.3	4	2.50	341.72	11.6
Switzerland	245.50	1.3	2	4.0	16	1.55	191.62	13.8
Thailand	163.57	-5.1	28	-2.8	24	2.05	181.38	-1.9
United States	262.55	-1.9	15	4.5	14	2.25	262.55	4.5

COMPOSITE INDICES				
	Index	Week % Chg.	YTD % Chg.	Dividend Yield
Europe	209.42	-1.0	4.3	3.09
Pacific Basin	162.05	-2.5	-1.9	1.20
Europe/Pacific	181.67	-1.8	0.9	2.11
World	207.51	-1.8	2.6	2.17



Prepared by Goldman, Sachs & Co. using data derived from the FT Actuaries World Index, a measure of stock market performance. The FT Indexes are compiled jointly by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Ltd in conjunction with the Institute of Actuaries and the Faculty of Actuaries.
Source: Goldman, Sachs & Co. Exchange rates as of Friday, London close
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Exchange rates	Friday	Last Friday	Week % Chg.	Year Ago
Japanese yen to the U.S. dollar	110.80	110.85	-0.05	87.55
German marks to the U.S. dollar	1.5236	1.5298	-0.41	1.3903
Canadian dollars to the U.S. dollar	1.3691	1.3679	+0.09	1.3590
U.S. dollars to the British pound	1.5515	1.5525	-0.06	1.5965

Source: Bloomberg Financial Markets; exchange rates as of Friday, New York close

July 8-12: Stocks and Bonds Decouple as Equities Fall on Fears of Weakening Earnings

PRICES	DOMESTIC EQUITIES	DOMESTIC BONDS	AROUND THE WORLD	YIELDS	OTHER INVESTMENTS
Broad market	Down 1.71%	Treasuries	Up 1.10%	Long bonds	7.03%
S & P. 500 index	646.19	Ryan Labs. Total Return	185.14	30-year Treasuries	Down 15 basis pts.
Blue chips	Down 1.39%	Municipals	Up 1.43%	Notes	6.28%
Dow 30 industrials	5,510.56	Bond Buyer index	113.16	2-year Treasuries	Down 14 basis pts.
Small capitalization	Down 4.74%	Corporates	Up 1.26%	Municipals	6.07%
Russell 2000 index	323.69	Merrill Lynch Master index	798.62	Bond Buyer index	Down 10 basis pts.
				Bank C.D.'s	5.02%
				1-year small savers	Up 2 basis pts.
				Stocks	2.28%
				S & P. 500 dividend yield	Up 4 b.p.

90-DAY RELATIVE TREND	Change in basis points
Stocks	+15%
Bonds	+15%
World	+15%
Yields	+100
Change in basis points	+100

Source: Bank Rate Monitor, Bloomberg Financial Markets, The Bond Buyer, DataStream, Goldman, Sachs, IBC's Money Fund Report, Merrill Lynch, Standard & Poor's, Ryan Labs

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A Harder Line From Israel

Benjamin Netanyahu made good use of his personal charm, political savvy and mastery of the American vernacular during his five-day visit to Washington and New York. But Israel's newly elected Prime Minister disappointed those who expected him to use this visit to signal more moderate and pragmatic foreign policy directions now that he bears the responsibilities of government.

It is one thing for Mr. Netanyahu to keep faith with his campaign promises of no Palestinian state, no division of Jerusalem and no return of the Golan Heights to Syria. But his remarks last week seemed to cast doubt on his previous assurances that he would honor agreements Israel has already entered into, in particular the overdue withdrawal of most Israeli troops from the West Bank city of Hebron. He also diminished hopes for an early lifting of the five-month-old economic blockade of Palestinian communities in the West Bank and Gaza Strip.

American support for Israel is firm. America must also respect the outcome of Israel's democratic elections. But the United States, as the principal international sponsor of Israel's peace agreements with Egypt, Jordan and the Palestine Liberation Organization, should press Mr. Netanyahu to resolve these doubts in the weeks ahead.

President Clinton tried, politely, to register concern on Hebron and the blockade, and on the question of planting new Jewish settlements in the West Bank. But with an American Presidential campaign approaching, he clearly sought to minimize any appearance of public disagreement. Mr. Netanyahu would make a mistake if he took his warm public reception from the President, from a joint session of Congress and from American Jewish leaders as approval for the confrontational approach toward the Palestinians advocated by

some of the extremist members of his Cabinet. Mr. Netanyahu suggested that Israel did not have to deliver on its promises for now because the Palestinians were also showing bad faith by failing to stamp out terrorism and by maintaining quasi-diplomatic offices in Jerusalem. It is reasonable for him to pressure the Palestinians on both of these points, but not by withholding what Israel has already agreed to. That will only discredit the idea of negotiations and elevate the minority of Palestinians still preaching violence.

Meanwhile, the tight blockade that the previous Israeli Government imposed on Palestinian communities after the February terror bombings is causing great suffering while serving no evident security purpose. Mr. Netanyahu says he wants open economic borders between Israelis and Palestinians, but defers lifting the blockade.

The Prime Minister was also disturbingly vague on the issue of new Jewish settlements. He pointed out that the Labor Government in power for the past four years had allowed the total settlement population to expand by 50 percent and suggested that he could be expected to do no less. But he left the impression that he intended to step up the pace of expansion and plant new settlements in populated Arab areas of the West Bank.

Mr. Netanyahu ran on a platform of peace with security and has the right to take a harder line in future negotiations. But he is obliged to fulfill existing agreements in good faith and would be unwise to needlessly antagonize the Palestinian population over essentially nonpolitical issues of daily life like the blockade of West Bank and Gaza communities.

If he missed that understated aspect of Mr. Clinton's message, Washington may have to speak emphatically at a later date.

Cable's Gift to Schools

The cable television industry has pledged to provide nearly every school in the country with access to the Internet — the network of millions of computers around the world that offers on-line information. The offer will bring fabulous educational resources to schools too poor to provide an advanced Internet hookup on their own.

Some schools are already connected to the Internet over telephone lines. AT&T promised last year to help connect all schools by the year 2000. But even for schools connected by phone, the cable initiative provides an exciting dimension — speed. A graph, picture or video display that takes hours to display over telephone lines (eating up an entire class period) would take only seconds to send over cable. High-speed cable access would open up the classroom to new computer-based teaching tools. Indeed, once high-speed cable access is widespread, computer services will develop applications that are now technically infeasible.

Under the initiative, local cable companies will provide free of charge to every public and private school in their service area a cable modem that connects computers to cable lines in much the same way ordinary modems connect computers to telephone lines. The cable operators also promise to cover subscription charges to an on-line computer service. Some local cable operators also promise to pay for teacher training and curricular materials.

About 3,000 schools will be outfitted during the next 12 months — including schools in parts of Nassau and Suffolk Counties in New York and Bergen and Hudson Counties in New Jersey. Only the handful of elementary and secondary schools in regions with no cable operators will be left out of the program.

The industry expects that the initial hookup of about 95,000 elementary and secondary schools will cost about \$100 million. The cable industry hopes to reap financial advantage when students who become used to high-speed Internet access expect no less at home. Cable companies will no doubt develop residential packages that include Internet access, cable TV and, under the new telecommunications law, telephone service.

Some schools already offer students advanced science and other specialized courses over the Internet, taught by superstar teachers at faraway schools and universities. For these schools, high-speed cable access will greatly expand the information they can put before any enterprising student. An advisory council to President Clinton recommended last year connecting schools to the Internet, but it provided no proposal to raise the tens of billions the plan would cost. With Federal outlays on education expected to fall by 30 percent or more over the next few years, the cable industry has provided an answer — at 300 times the speed.

Editorial Notebook

The Second Daley's Legacy

Downtown Chicago is an architectural dream, a place where bold skyscrapers stand mirrored in Lake Michigan and vivid against a vast Midwestern sky. But encircling this scene is a calamity of staggering dimensions — the poorest and, until quite recently, worst-run public housing system in the United States.

The Chicago Housing Authority is landlord to about 100,000 people, 95 percent of whom live on welfare, in prison-like towers that depress property values and frighten away the middle class. Generations of black Chicagoans have grown up in the C.H.A., cut off from mainstream culture and opportunities. The city's legendary boss, Mayor Richard J. Daley, built much of modern Chicago, including many of its high-rise cages for the poor. There is a pleasing symmetry in the fact that his son, Mayor Richard M. Daley, is involved in a movement that could eventually eradicate them.

The opening chapter of the plan centers on the Cabrini Green housing project on Chicago's Near North Side, not far from the Gold Coast. If the funding plan solidifies and Cabrini tenants cooperate, the projects will be partly demolished and replaced with a mix of town houses, single-family houses, modest flats and mid-rise apartments. The development will be economically integrated — 30 percent low-income, 20 percent subsidized moderate income and 50 percent market rate. Mr. Daley has committed 30 acres of city-owned real estate for private development to shore up the effort. In addition, the city will build schools, parks, a police station, a public library and other amenities. The Cabrini development should be the easiest to institute given its proximity to the rich. The challenge will come with hellish enclaves like Robert Taylor Homes, a deep-ghetto project in a neighborhood that was destroyed to build it.

The Daley initiative is remarkable given the city's history. As both the courts and urban historians have consistently pointed out, Chicago's public housing was deliberately used to segregate blacks who streamed into the city in the 1950's and 60's. Plans for public housing in white areas were killed by City Hall. The

strategy left Chicago the most segregated of America's major cities, a place where demographers say blacks and whites are less likely than elsewhere to even encounter each other on the street.

In the late 1960's a group of tenants sued, charging what everybody knew — that public housing was discriminatory. The case was named for Dorothy Gautreaux, who died before the court ruled in her favor. The city was ordered to make public housing available in white areas and was forbidden to build further in black areas, except on court approval. The Federal Government has earmarked about \$40 million this year to institute the Gautreaux decision. Some of that money could end up in the Cabrini plan.

Three decades since the suit have seen public housing get steadily worse. Things began to look up only last year, when the Housing and Urban Development Secretary, Henry Cisneros, took control of the C.H.A., prompted by a management crisis and a series of crimes involving ever-younger children. The decision to bold the Democratic National Convention in Chicago this year obviously played a role as well. HUD installed Joseph Shuldriner, a former general manager of the New York City Housing Authority, as executive director.

His first-year results are promising. A quarter of the apartments have been placed under private management, improving services and letting administrators concentrate on deeper problems. Once a scandal, the voucher program for the poor who live outside the projects has been revamped and will produce a surplus this year. Evictions of disruptive tenants are up by a third, and unpaid rents down by a quarter. The C.H.A. has a balanced budget for the first time in memory, thanks in part to a tough new inspector general. Faced with tangible improvements, and honest management, tenants who feared redevelopment now embrace it.

Mayor Daley has been looking for a way to make his imprint on the city his father built. If he can transform public housing — and sweep away those high-rise cages — his legacy will be secure. BRENT STAPLES

In Gulf War, Precision Air Weapons Paid Off

To the Editor: Although the official Pentagon response was muted, the Air Force disagrees with the General Accounting Office report on the Persian Gulf war as it concerns Air Force assets (front page, July 9). At the heart of the argument is whether precision in targeting and increasing weapons sophistication have allowed effective use of air power against combat forces.

Precision does pay off. As shown in Operation Desert Storm, a few precision weapons accomplish the equivalent of World War II's massive-area bombing, with little unintended damage. Furthermore, many hardened targets require multiple weapons; to breach some of Iraq's chemical bunkers, four to five laser-guided bombs had to be dropped within a 20-foot hole. As to cost, using laser-guided bombs to destroy military vehicles is a good trade-off. A 500-pound laser-guided bomb costs \$22,000, significantly less than enemy tanks or other armored vehicles.

The coalition air assault on Iraqi forces in Kuwait resulted in fewer than 400 casualties versus Gen. H. Norman Schwarzkopf's prewar estimates of 10,000 to 20,000. This was a result of precision targeting. G.A.O. analysis of Air Force precision operations is based on selective interpretation of data and insufficient regard for advantages of laser-guided munitions and precision weapons. We cannot permit G.A.O. to confuse imperfection with failure. (Lieut. Gen.) JOHN P. JUMPER, Deputy Chief of Staff, Plans & Operations, U.S. Air Force, Washington, July 10, 1996

Reach of U.S. Law May Exceed Its Grasp

To the Editor: "Long Arm of U.S. Law Gets Longer" (Week in Review, July 7) exposes an error of analysis by our State Department. While treaties providing for international cooperation to suppress terrorism allow states to extend operation of their criminal law to some acts of some foreigners overseas, they do not provide any extension of the limits of each state's "jurisdiction to enforce," or to adjudicate.

They do not allow other parties to stop their ships at sea or invade another's territory to enforce their national versions of the treaties' prescriptions or to seize and try accused malefactors. Indeed, the United States would deeply resent any such assertion by any foreign power.

Nor did the traditional law regarding piracy provide a universal jurisdiction to enforce or to adjudicate. The United States limited the operation of its own anti-piracy laws of 1790 and 1819 to cases in which there was a particular American interest or when the defendant was acting in his own interest in disregard of all law.

There is no doubt that there are



Rupert Howard

horrors perpetrated in the former Yugoslavia and elsewhere, but the amelioration cannot lie in the betrayal of our own principles by exaggerated assertions of our own police power. ALFRED P. RUBIN, Medford, Mass., July 9, 1996. The writer is a professor of international law at Tufts University.

Mindless Modernizing

To the Editor: That the performance of advanced weaponry used in the air war part of the Persian Gulf war has often been overstated to the point of absurdity, as in the case of the Patriot point defense or Tomahawk cruise missile, has been available to anyone who cared to look at the trade literature.

Indeed, the Pentagon's own report on the war acknowledged this point. It is a pity that the Government Accounting Office (front page, July 9) was not asked to examine the efficacy, or lack thereof, of high-technology ground and naval systems that were equally hval.

One can only hope that the accounting office report will serve as ammunition to counter the now-standard argument of those in the Pentagon who assert that great numbers of troops will die in a future war unless the Department of Defense is given more money to "modernize" its forces. DAVID ISENBERG, Senior Research Analyst, Center for Defense Information, Washington, July 10, 1996

Have We Forgotten Pinko Space Aliens?

To the Editor: I agree that the movie "Independence Day" has a hollow where its heart should be; it is not big on content, relying on elaborate wrapping to present a comic book story (editorial, July 10). However, I disagree that "space aliens are clearly going to be Hollywood's answer to the nation's post-Communist villain shortage."

Many classic science-fiction movies were made during the cold-war era, when suspicion regarding Communism was at its hysterical peak. Invasions from outer space, aggressive, devious extraterrestrials, threats to destroy Earth — these movie-house diversions were the by-products of that time.

Perhaps the "aliens' outward trapings in "Independence Day" that young moviegoers will respond to — being "self-centered, bigoted and environmentally incorrect" — are signs of the (our) time, but at least in filmdom the alien menace has roots in another era. STEPHEN JONES, New York, July 10, 1996

To the Editor: While it may turn out in a sequel to "Independence Day" that Microsoft was behind some intergalactic conspiracy to market Windows 2000 (editorial, July 10), the concern expressed by Jeff Greenfield of ABC about computer compatibility in the 1990's may not be so far-fetched.

If you appreciate the technology of the Internet and the World Wide Web, it's not hard to imagine a hacker from an alien civilization desiring to create and connect to the Galaxy Wide Web. If only to observe a cross-section of terrestrial intelligence life rather than to destroy it.

Furthermore, given the rush to merge the communications businesses with computing, compatibility of most information technology may not be far off. After all, E. T. did phone home. DANIEL FARKAS, Pleasantville, N.Y., July 10, 1996. The writer is chairman, information systems department, Poce U.

Bond Market Listens to Savers, Not Bears

To the Editor: I am glad I'm not one of James K. Galbraith's economics students on the receiving end of the disinformation in "What Inflation?" (Op-Ed, July 10), wherein he blames bear-market speculators with dubious motives for the sharp decline in bond prices this year. Students take note: The United States bond market is an arena importantly affected by foreign investors and not as inefficient as Mr. Galbraith implies.

Markets reflect not only current conditions but also anticipated ones. Treasury Secretary Robert E. Rubin has proposed issuing inflation-indexed Government bonds to help investors overcome inflation fears. Such a device should not be necessary for a fiscally sound economic power.

There is a "new math" at work in the United States where a 3 percent inflation rate is acceptable. Elsewhere, in Germany, for example, the old math still applies: zero inflation is the acceptable rate. Bond investors know this and insist on adequate real returns to compensate for inflation risks. Monetary policy, therefore, is watched closely as a critical line of defense against any fiscal actions that are an attack on the nation's wealth — the savings of millions of its citizenry.

It is the voice of savers that is expressed in bond market movements, not "speculators," which Professor Galbraith chooses not to hear. HARRY C. ROWNEY, New York, July 10, 1996. The writer is a banker.

Different Recollections on 'Trial by Dingell'

To the Editor: Bernadine Healy's attack on Representative John D. Dingell and the staff of the House Oversight and Investigations Subcommittee (Op-Ed, July 9) reflects inaccuracies and omissions.

For example, she writes about being summoned to Capitol Hill to meet with subcommittee staff. The initial meeting with subcommittee staff was at the National Institutes of Health. Another meeting with staff several months later, at her request, was held on Capitol Hill.

Dr. Healy neglects to mention that bipartisan staff met with her and other N.I.H. officials concerning that agency's handling of scientific misconduct issues. And based on my discussions with Democratic and Republican staff members, their recollections of the tone and content of discussions with Dr. Healy are very different from hers.

Dr. Healy fails to note the bipartisan criticism from subcommittee members at an Aug. 1, 1991, hearing directed at apparent efforts by her to raise procedural barriers to N.I.H. inquiries into misconduct. The Bush administration in 1992 moved the inves-

tigating function out of her purview. Dr. Healy neglects to mention that when communications between N.I.H. staff and the subcommittee staff became difficult, she met with Mr. Dingell, who directed that I work with one of her top aides to see that problems were resolved promptly. Dr. Healy sent a gracious note to Mr. Dingell after that meeting.

Professional and policy disagreements, while not new, should not become fodder for erroneous attacks years later. REID P. F. STUNTZ, Minority General Counsel, House Committee on Commerce, Washington, July 11, 1996

Not a Proper Forum

To the Editor: Scientists depend on trusted colleagues to tell us when we have crossed the line. But what happens when peer-policing fails? Congress is not the forum for misconduct cases, but this problem does require a solution. JAMICE FISCHER VIZE, Austin, Tex., July 11, 1996. The writer is an assistant professor of zoology of the University of Texas.

Merrill Lynch Had No Kickback Contract

To the Editor: Your July 10 Business Day article on the fraud trial of Mark S. Ferber, a former partner of Lazard Frères, characterized the arrangement between Merrill Lynch & Company and Lazard Frères as a "secret kickback contract." In fact, this contract did not involve kickbacks, but rather a legitimate, continuing business relationship with Lazard Frères and Mr. Ferber.

In addition, the contract was not meant to be kept "secret" from Mr. Ferber's clients. Merrill Lynch relied on Lazard Frères and Mr. Ferber to make the appropriate disclosures to their clients, and we were informed that the disclosures had been made.

Indeed, after a two-year investigation, the only issue raised by the Government in its settlement agreement with Merrill Lynch was that our firm should have taken further steps to insure that Lazard Frères and Mr. Ferber made the proper disclosure. Merrill Lynch agreed to

this settlement in order to put this matter behind us and to avoid the risks and the costs of litigation.

Merrill Lynch remains committed to serving both issuer and investor clients in the public finance business. We are proud of the leading role Merrill Lynch has played in restricting the influence of campaign contributions and in taking other steps to enhance public confidence in the integrity of the public finance markets.

PAUL W. CRITCHLOW, Senior Vice President, Merrill Lynch & Company, New York, July 11, 1996

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RICHARD G. THOMAS, Treasurer

Beware a Vicious Cycle Of Rail Deregulation

To the Editor: You should not have been surprised at the Surface Transportation Board's decision to allow the merger of the Union Pacific and Southern Pacific railroads (editorial, July 8). The board is not a "fledgling" agency. It is a successor to the Interstate Commerce Commission, which had long been an agent of the railroads.

Since the early 1980's, the I.C.C. — and now the new board — has endorsed all but the most extreme railroad transactions, often in the name of deregulation. Some of those decisions strengthened Southern Pacific's rivals to such an extent the railroad was able to argue that this merger was necessary for its survival.

Like other regulatory agencies, the I.C.C. was created to respond to well-documented abuses of the public that were not controlled by the market. After this latest merger, there will be only two major rail carriers west of the Mississippi. It is ironic that we are likely to see a repeat of the market abuses that gave rise to the I.C.C.

That will not be a result merely of the "blunder" in approving this merger, but of a pattern of decisions and a deregulatory philosophy run amok. RICHARD S. EDELMAN, Washington, July 10, 1996. The writer is a lawyer who represented several unions that opposed the merger.

alshico 152A

The Risk In a 'Cure' For AIDS

By Gabriel Rotello

In 1948, Thomas B. Turner, a bacteriologist from Johns Hopkins, gave a lecture about a new drug that was revolutionizing the treatment of venereal diseases. He called his lecture "Penicillin: Help or Hindrance?"

The "help" hardly needed explanation. Penicillin cured syphilis and gonorrhea, and many experts confidently predicted that these diseases would soon be eradicated forever.

But Dr. Turner knew that while both diseases are caused by bacteria, their transmission is caused by something else — human behavior, namely unprotected sex with multiple partners. He worried that if effective treatment was available, people would return to the risky behavior that spread the diseases, leading to unintended consequences. He was right.

The number of cases of syphilis and gonorrhea declined in the years after Dr. Turner's lecture, but by 1965 the cases began to rise. Governments had virtually halted education programs, and the sexual revolution — spurred at least in part by a belief that venereal diseases were now curable — created new opportunities for both microbes to spread.

By the early 1980's, 2.5 million Americans were contracting gonorrhea every year, and syphilis ranked as the third most common infectious disease in the nation. Things came full circle when the casual use of antibiotics produced drug-resistant strains of gonorrhea that literally ate penicillin and rendered other antibiotics useless.

While antibiotics are indeed miracle drugs, which have saved millions of lives, in the end these treatments ultimately helped spread and strengthen both diseases.

I thought about Dr. Turner's warning of ten this past week, as researchers at the International AIDS Conference in Vancouver, British Columbia, announced the first glimmers of real hope in treating H.I.V. infection.

Studies indicate that when new drugs called protease inhibitors are used with other drugs, such as AZT and 3TC, which are commonly used for AIDS, they can virtually erase H.I.V. from the blood of many infected people.

But this fantastic news, a triumph for medicine, is a mixed blessing for medical ecology. It could turn out that Dr. Turner's predictions for syphilis apply equally to H.I.V. Indeed, in one nightmarish scenario circulating among scientists and activists, society's reaction to the triple-combination therapy could render the AIDS epidemic more intractable than it already is.

That nightmare is based on three factors. One is that H.I.V. mutates more quickly than any other known virus, and strains have evolved that evade every drug, including protease inhibitors, and many drug combinations as well.

Second, the new combination ther-

Gabriel Rotello is the author of the forthcoming "Sexual Ecology: AIDS and the Destiny of Gay Men."

Warning: Use With Caution

New treatments could lead to scary mutations.

apies are extraordinarily expensive and difficult to take. Some drugs must be taken on an empty stomach several times a day with up to a quart of water. Others cause terrible side effects.

Yet, if people don't take the drugs correctly, the chance of developing resistance to the combination cocktail is greatly enhanced. And if they infect another person, that person may be drug-resistant from the start.

Sound improbable? The transmutation of resistant strains "certainly happens with AZT," says Dr. John Leonard, who helped develop ritonavir, Abbott Laboratories' protease inhibitor, "and there's no reason this new class of compounds will be any different in that way."

Indeed, in the case of AZT, about 1 in 10 newly infected people have a virus that is resistant to the drug, even though they have never taken it. According to an article by Mike Barr in the current issue of POZ magazine, some of these AZT-resistant viruses are a sort of "super H.I.V.," that is considerably more deadly and reproduces up to five times as fast as the original H.I.V.

Combine the possibility of a multiple-drug-resistant H.I.V. with a third sobering fact: AIDS prevention efforts have faltered, especially in the most afflicted communities. AIDS is exploding in the third world and, in this country, among poor and minority people, especially women. The gay male population is undergoing a widely documented "second wave" of infections. If the potential for death hasn't been enough to compel people to practice safe sex, what might happen when that threat seems eased?

Here's the scenario. As the new drugs become the therapy of choice, many individuals may not be able to maintain the strict regimen and will develop multiple-drug-resistant H.I.V. At the same time, governments throughout the world may relax prevention efforts, while many people, rejoicing that the AIDS epidemic seems to be contained, drift back to a life style of unprotected sex with multiple partners. The drug-resistant strains could easily enter these newly reconstituted viral highways, and we might end up with a super-epidemic that stymies even the strongest drugs.

Nightmarish? Absolutely. Unlikely? Well, you could get lucky. Some drug-resistant strains might be less virulent or less infectious. It's also possible that widespread use of the treatment may lower people's ability to infect others and thus reduce the overall rate of transmission to very low levels. Treatment itself could become an effective form of prevention.

But like global warming and other scary ecological scenarios, no one will know for certain what is happening until it already has. So it's wise to rely on past experience. And experience shows that drug-resistant H.I.V. has already appeared, and that in the last four decades other venereal diseases, far less wily than H.I.V., developed drug-resistant strains.

There are plenty of ways to try to prevent the worst-case scenario. One is to produce more effective drugs that are cheaper and easier to take. Pharmaceutical companies are already working on newer drugs. And activists will have to fight to make them cheaper.

Another is for governments to establish programs that provide physicians and patients using these drugs with intensive education. Some patients should also be monitored to make sure they take their medica-

tions as directed — just as the United States has already successfully done with tuberculosis patients.

Doctors should also consider whether they want to give this treatment to those who have demonstrated an inability to take medications consistently. This may seem cruel, but such patients would be the first victims if they developed drug-resistant H.I.V., which might place them beyond help when more effective, easier-to-take drugs are developed.

Ultimately, despite our best efforts, multiple-drug-resistant H.I.V. will almost certainly develop. So in the end, governments worldwide need to redouble their efforts to provide frank and effective AIDS prevention programs, especially focused on the communities most at risk.

Just as crucially, everyone must realize that in our interconnected world, safe sex is not just a temporary measure. It's an essential operating instruction on spaceship earth, at least until our viral fellow travelers have been decisively conquered. And that, I'm afraid, is light-years away.

Michael Ian Kaye

Liberties

MAUREEN DOWD

General Snipe

WASHINGTON

The general set me up. I thought he would be forthright, honest, provocative, that he wouldn't play the game like everybody else.

But there he is, all coy and calculating, another Mario Cuomo or Bill Bennett, sniping from the sidelines, acting enigmatic and above it all, pretending that he can be inside politics and outside politics at the same time, disguising his lack of nerve with high moral language. There's a dread hint of Ross Perot in his behavior, insisting this is not about him when he knows it is.

When the general needed to sell a hardback, he toyed with the idea of President. When he needed to sell a

paperback, he toyed with the idea of Vice President.

Republicans, who built him up and got him addicted to adulation, are now paying the price. "Colin's been flopping around too much lately, mis-

handling it by being too cute," gripes a Republican lawmaker in the Dole circle. A Gingrich ally grumbles: "He's only a political animal in the sense that any senior Washington bureaucrat is, not in the sense that someone needs to be to aspire to elected office."

Even those pushing for Powell 2000 worry about "the vacuum" of his unchanneled celebrity. He's a career soldier without structure. "If he isn't dedicating himself to one concrete visible thing, if he's jumping around here and there, that's not the way people want a great leader to behave," says one of his friends.

Mr. Powell feels he has a destiny. He believes that he is not so much a political figure as a historical figure. But it was not a historical figure who collected \$60,000 recently for talking about himself to 1,000 owners of Schlotzsky's delis in Austin, speaking at a dais decorated with jalapeño peppers, bun mix and hot sauce.

He's a little of everything, which doesn't amount to much. If he's a liberal, he should say he's a liberal, make the good fight and be judged. Same thing if he's a conservative. At the moment, he just seems like an elliptical retired public official who

served his country long and well and now wishes to be rewarded with an appointment to the Presidency. Kind of like Bob Dole.

Mr. Dole does not have a campaign. He has an implosion, a series of unlikable outbursts. The Dole campaign is so pathetic, pleading with Mr. Powell for joint appearances, it may as well just agree to pay his \$60,000 speaking fee.

The general says he will deign to vote Republican. He was wooed into the party last year by George Bush, Bill Bennett and Bill Kristol, persuaded the Republicans would give him the best shot to trade up to commander in chief. He was disdainful of what he considered the Democrats' weakness on national security and dependence on unions, and disdainful of the unbuttoned quality of the Clinton White House.

But since then, he seems like a Democrat trapped in a Republican body. Privately, he complains about G.O.P. "extremists" in the party who, as one of his pals put it, "talk like Southern sheriffs from the 60's." And publicly, he disagrees with Bob Dole on major issues like abortion, immigration, affirmative action, gun control, tobacco and race.

Mr. Powell mildly suggested that Mr. Dole should have gone to the N.A.A.C.P. conference, as Mr. Dole bizarrely growled that Kweisi Mfume was trying "to set me up," and said he preferred audiences "I can relate to."

One top Republican says that Mr. Powell speculated to him that if Mr. Dole loses badly and the Republicans shatter, perhaps it would give him the chance to remake the party in his own more moderate image. So that's his political strategy: Before me, the deluge. Or, as the Marxists used to say, the worse the better.

Such a strategy presumes that the right wing and the religious wing of the Republican Party will disappear. They won't.

Mr. Powell's friends say he doesn't want to be "the opening act" for Mr. Dole on the campaign, but he will agree to speak at the convention (after the Veep decision is made). It will be interesting to see how he follows up on a platform calling for a ban on abortions, an end to affirmative action, huge cuts in welfare and assault weapons for everyone.

I expect that Mr. Powell will find a way to split the difference. When he does, people will praise his agility. But his agility is his problem.

All cage, no bird.

Foreign Affairs

THOMAS L. FRIEDMAN

Sucked Into the Wrong Vacuum

Moscow. It may be time to revive the hot line between the U.S. and Russia. Seriously.

During the cold war Americans always knew what Russia's basic intentions were and how to deal with them. But, paradoxically, as Russia becomes more like America — that is, democratic and inward-looking, with real political parties, interest groups, lobbies and a free press all tugging at decision makers — it becomes harder for Washington to predict or control Russian behavior. Alexei Arbatov, deputy head of the Defense Committee in the Russian parliament, quipped to me that if Nikita Khrushchev were alive today and deployed nuclear missiles to Cuba, as he did in 1962, he would have to fire them at the U.S. rather than withdraw them, "because Russian public opinion, the parliament and the free press today would never have allowed him to back down, declare the whole thing a victory and then just walk away without anyone saying a word of criticism."

A contemporary example of where Washington and Moscow could badly miscalculate is the issue of NATO expansion into Eastern Europe, which the Clinton team seems convinced it can cram down the throats of a few top Russian officials and have the whole country buy it. As a popular issue, NATO expansion was scarcely mentioned in the Russian election campaign. But as an elite issue, it is important, and the elites here can make it a popular issue. And the Russian elites hate NATO expansion. As Mr. Arbatov put it: "Had the Communists won the election, people

Take a look inside Russia.

here would have expected NATO expansion. But now that Yeltsin has won, under the banner of democracy, the idea that the West would respond by expanding NATO to isolate Russia would be received here as a sign of some generic mistrust of Russia."

And that's a Russian liberal speaking. Communists and nationalists are even more stridently opposed to NATO's expanding against Russia's will. If it happened, says Mr. Arbatov, Moscow would surely press the former Soviet republics of Ukraine, Moldova and Byelorussia to join some sort of Russian-led mini-Warsaw pact and the Russian parliament would surely reject the Start II nuclear arms reduction treaty with the U.S.

"There is a popular consensus in Russia against NATO expansion, not just because it is a threat, but because nobody likes to be excluded," said Sergey Rogov, director of the U.S.-Canada Institute in Moscow. "Russia has not been invited to join either NATO or APEC or the Euro-Asia summit. So Russia becomes a country in isolation. That is not natural for any big power. Russia will look for other partners in Asia, China, Iran."

Wrong. The relevant power vacuum is not in Eastern Europe. It's in Russia — all of Russia. Russia's dilapidated army cannot even defeat Chechnya. (Imagine a U.S. Army unable to prevent Rhode Island from seceding.) More important, the whole trend of Russian politics today is decentralization. Power is being devolved by Moscow to local mayors and provincial governors because Moscow doesn't have the money to support them. Roughly 20 of the 89 provinces of Russia now have power-sharing treaties with Moscow, allowing them to keep much of their tax revenue and making them each small, but autonomous, alternative power centers. This means the Kremlin's ability to mobilize resources to rebuild the Russian Army diminishes with each day. Russia's future belongs to its Mayor OGLEYS. Boris Yeltsin has never been more popular and less strong.

For 40 years America has focused, rightly, on managing Russia's strength, but our real challenge today is managing Russia's weakness. Instead of trying to fill a fake power vacuum on Russia's border — which only encourages a humiliated Moscow to try to re-centralize power and use all its limited resources to obstruct U.S. interests — we should nurture the real power vacuum developing inside Russia. We should flatter Russia, bring it into every world forum possible, tell it that it's doing just fine and encourage Mr. Yeltsin to continue his reforms, which are naturally devolving power away from the Kremlin and making Russia a much less dangerous entity than NATO expansion ever could.

New Encyclopedia of Zionism and Israel

In many respects, the history of Zionism is co-extensive with the history of the Jewish people in the last hundred years. The intense debate between proponents and opponents of Zionism has abated only with the renewal of Jewish statehood in 1948, when world Jewry rallied in support of the newly-born state.

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A Grungy Shocker on Heroin Heads Overseas

By MICHAEL DWYER

A FEW WEEKS AGO, the partnership for a Drug-Free America introduced its first national campaign aimed at fighting heroin. "You have a whole new group of young people who don't know the horror, the tragedy of heroin," explained Richard D. Bonnette, president of the organization.

Will they learn from "Trainspotting," the much-talked-about new British film opening in the United States on Friday? At one point in the movie, a junkie rhapsodizes about heroin: "Take the best orgasm you've ever had, multiply it by a thousand, and you're still nowhere near."

Though the film also goes on to show one character dying of AIDS and another quitting drugs cold turkey, it never does condemn heroin abuse. When you're off heroin, says Renton (played by Ewan McGregor), the addict who has sung its praises, "you have to worry about bills, about food, about some football team that never wins, about human relationships and all the things that really don't matter when you've got a sincere and truthful junk habit."

The film, which opened in England in February, has become a phenomenon, its content inspiring heated debate about post-Thatcherite slackers and their aimlessness. The film's anti-Masterpiece-Theater style has spawned a popular soundtrack album by Blur, Lou Reed, Primal Scream and Iggy Pop, among others. And, because of its louche look, the film has inspired ads for sneakers, clothing and other movies.

The question is whether "Trainspotting" will have the same kind of impact in the United States, where the film has already received a lot of advance publicity, just as "Kids" did last year, when audiences were primed to rush out to see a movie about American drug-taking teen-agers that was heralded as the end of Western civilization. (Audiences instead chose to go see "Die Hard With a Vengeance.")

"Trainspotting" portrays a group of Edinburgh friends with names like Renton, Sick Boy, Spud and Begbie who steal, take drugs (and try not to take drugs), struggle not to become employed, play and watch soccer, drink, pick up girls (one of them seriously under age), descend into Edinburgh's sewers to retrieve some opium and discuss the films of Sean Connery.

The movie has not only climbed to the No. 3 spot in all-time earnings for a film made and financed in Britain but has inspired a storm of protests on one hand and won rabid fans on the other.

The phenomenon that became "Trainspotting" began in 1993 with the publication



Ewen Bremner, left, Ewan McGregor, Jonny Lee Miller and Robert Carlyle in "Trainspotting," which opens on Friday—Showing the addict's world from the inside.

of a novel of the same name by Irvine Welsh about heroin addicts in an economically depressed Scotland. The novel became a cult hit and inspired a successful stage play. The title, which is ironic and derogatory, refers to a British hobby of collecting locomotive numbers off passing trains, and, in the context of the film, suggests a life bereft of purpose.

To write the script, John Hodge, a soft-spoken 31-year-old doctor, returned to the book, a collection of loosely related stories that he originally thought could never be made into a movie. His solution was to pull the book apart, meld some characters, invent others and rely heavily on voice-overs to provide the interior monologues.

"Trainspotting" is the second movie from the director Danny Boyle, the producer Andrew Macdonald and Mr. Hodge, the team whose previous movie was the dark Scottish comedy "Shallow Grave."

"After the success of 'Shallow Grave' we received any number of offers from Hollywood," Mr. Macdonald said as he and his two colleagues sat, casually dressed, in the

very formal St. James's Club here. "But we thought it was more important to stay in Britain and make another contemporary film. The only thing we had to do was to keep it relatively cheap, so we could keep control over it." The movie, shot in less than two months, cost only \$2.5 million.

Mr. Boyle, a young-looking 39, and his team researched the film by meeting heroin users in the Edinburgh suburb of Leith, where the story is set, and by meeting former addicts at the Calton Athletic Drug Rehabilitation Center in Glasgow.

The dizzying pace of the movie is set in the opening scene. The camera follows store detectives as they chase Renton and a friend through the streets while Iggy Pop's "Lust for Life" pumps up the soundtrack.

While many British films, like those of Ken Loach, embrace a form of social realism, "Trainspotting" favors the surreal: set pieces attempt to show what addicts feel when they overdose (a carpet seems to open up like a grave) and when they go through

withdrawal (babies seem to crawl on the ceiling).

The film's boys-will-be-boys attitude might never have survived if the picture had been backed by a commercial studio. The "big decision," Mr. Macdonald said, was to let the adventurous television network Channel 4 finance the film.

"We worked so well as a team with them on 'Shallow Grave,'" he said. "If we had been involved with a more commercial backer like Miramax or Polygram, it would have been a lot more difficult, I think, and would involve a lot of compromises." Miramax is distributing the film in the United States.

In the end, the film makers say they did not make any compromises, and that may be why the movie touched a nerve in Britain, with commentary spilling over from the entertainment pages to the opinion columns. The Daily Mail, for example, condemned the film's "irresponsible, lofty refusal to judge or condemn" heroin addiction.

Mr. Hodge disagrees. "The film doesn't condone drug taking," he insisted. "It just

accepts bounds of reality. I think it's a responsible film because it shows what goes wrong if you take heroin."

"There's so much hypocrisy," he went on. "People are quite happy to ignore the damage that alcohol does. In the film, Begbie is the most dangerous, and his drug is alcohol. We've all had the misfortune to sit on the train next to someone like Begbie."

Writing in The Times of London, the columnist Magnus Linklater suggested that the "starkest message emerging from the 'Trainspotting' phenomenon is the rift it reveals between the generations on the subject of drugs and their insidious appeal." Young audiences accept it as a genuine portrayal of life in the raw, he said, while most of their elders are appalled.

Next, Mr. Boyle, Mr. Macdonald and Mr. Hodge will collaborate on a romantic comedy adventure called "A Life Less Ordinary," about a Scottish cleaning man who loses his job when he is replaced by an automatic vacuum cleaner. "There are no drugs involved," Mr. Hodge promised.

The Man at Ellington's Elbow

By BEN RATLIFF

THE NEW YORK apartment building where Billy Strayhorn lived through the 1950's, 15 West 106th Street, is now called Ellington West. This is not the only example of Ellington's name pasted over Strayhorn's. It's still a fairly common experience to go to a jazz concert and hear "Lush Life," "Chelsea Bridge," "The Star-Crossed Lovers," "Lotus Blossom" or the band's signature, "Take the A Train," announced as a piece by Duke Ellington. All were written and copyrighted by Strayhorn.

Some of this confusion is inevitable. Strayhorn composed and arranged for Ellington's band from 1939 until his death in 1967, and the two worked so closely that listeners have long puzzled over where Ellington's composing stops and Strayhorn's begins. Now, several new recordings, as well as the first full biography of Strayhorn, David Hajdu's "Lush Life," do much to help Strayhorn emerge from the shadow of his employer.

At the end of the 30's, the protean Ellington needed a lieutenant, someone who not only could arrange music for his world-famous big band but also absorb his eccentric style to finish the many pieces he started and quickly abandoned. Strayhorn filled this role too well: he could write in Ellington's idiom while satisfying his own compositional desires.

But because of Ellington's greater stature, Strayhorn often went uncredited — sometimes even for

Billy Strayhorn wrote standards like 'Lush Life' and 'Take the A Train,' but his boss got all the credit. Until now.

pieces that he wrote entirely without his boss's participation. The reason Strayhorn never struck out on his own, as Mr. Hajdu's book tells us, is that he was homosexual; submitting to Ellington's benevolent dictatorship and cloaking himself in relative anonymity gave Strayhorn the chance to live unapologetically and insured his privacy.

Strayhorn achieved sophistication through hard work. Born of a codling, socially punitious mother (for whom he wrote "Satin Doll" in 1951) and a dissolute father, he grew up working-class in Pittsburgh. But his ambition and intellectual curiosity drove him to reach higher. While a teen-age piano prodigy and soda jerk he had a subscription to The New Yorker, and by the time he joined Ellington, he knew art, books and music and would do most of the scholarly research for such Ellington works as "The Peer Gynt Suite," "The Shakespeare Homage" "Such Sweet Thunder" and "The Degas Suite."

That melancholy in Strayhorn's ballads is one way to distinguish his

music from Ellington's. But each musician admired and drew from the other's style, and this meshing was a reflection of their close personal bond.

The relationship was largely psychosexual, though by no means physically homosexual. Mr. Hajdu has said, "Ellington pampered, cared for, fathered Strayhorn in a way that he only did his women. He didn't do that for the men in his life, including the men in his orchestra. His usual manner of management was laissez-faire — freedom as empowerment."

This reappraisal of Strayhorn does not necessarily come at Ellington's expense. Nobody suggests that Ellington would have been a lesser composer without Strayhorn; before Strayhorn's arrival, Ellington had already recorded "Creole Rhapsody" (1931) and "Diminuendo and Crescendo in Blue" (1937), to cite just two examples of a mature composing style. But it is only now being grasped how deeply Strayhorn influenced, for instance, the arranger Gil Evans, whose 1949 collaborations with Miles Davis in turn inspired much of the West Coast cool-jazz movement.

Not much of Strayhorn's work has been recorded. Mr. Hajdu's book lists a discography of only 118 songs and 13 suites out of the estimated 1,200 Strayhorn works (including both compositions and arrangements) catalogued by the Dutch musicologist Walter van de Leur. Almost 30 years after his death, a major jazz composer is coming more sharply into view. The repertory orchestras and record companies are just getting started.



Duke Ellington, left, and Billy Strayhorn during a rehearsal in London in 1963

David Redfern/Retna

SWAT TEAM

BY JONATHAN SCHMALZBACH / EDITED BY WILL SHORTZ

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- 14 Help for the memory-challenged
- 19 Bulldog
- 20 From the flock
- 21 Seldom seen
- 22 Bypass
- 23 Teacake
- 24 Small whirlwind
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- 39 "A Wake, faire Muse," e.g.
- 40 Lay waste to
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- 51 Former First Lady
- 52 Revolutionary War hero
- 53 Cork's place
- 54 — Park, Calif.
- 55 Produce an effect, as medicine
- 56 Ones involved in match play
- 57 Dog's problem
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- 70 Brand
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- 75 Fanatical
- 76 Actress Adams et al.
- 78 1959 Kingston Trio hit
- 79 Sirens
- 81 — "Shoes" (American spiritual)
- 82 Time's 1977 Man of the Year
- 83 Inquiry: Abbr.
- 84 Like some roots
- 85 1939 tale of a tarnished Tinseltown, with "The"
- 88 To be, to Henri
- 89 Dory's need
- 90 Becoming slower, musically: Abbr.
- 91 Place to buy redeye
- 94 Nickname of Sophocles
- 99 Them: Fr.
- 100 Ramses I's successor
- 101 Early riser?
- 102 Tale of a butchered piggy
- 109 1960-61 A.L. M.V.P.
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- 14 Like some magazine subscriptions
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- 17 — but dazzling "darkness" Vaughan

ANSWER TO PREVIOUS PUZZLE

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afexico 1520

Hi, mom! Dnepropetrovsk parents hook up with Israeli kids

A new Jewish Agency initiative brings Diaspora families together with their loved ones in Israel, Yochi Dreazen reports from Ukraine

THE crowd of parents gasped as their children walked into the room, and a few began to cry. It had been at least a year since most of them had seen their children, and a few reached out to their children cautiously, as if to embrace them.

But they quickly realized why the embrace would have to wait: The parents were sitting in the Ukrainian town of Dnepropetrovsk (commonly known as Dnepo), while their children, despite the advanced teleconferencing technology which made the on-screen meeting possible, were in Tel Aviv, thousands of kilometers away.

The children were in Israel as part of the Jewish Agency's Na'aleh-16 program, which brings teenagers from the CIS to Israel for up to three years of schooling and extra-curricular activities, with the hope that their presence will draw their parents here as well.

Many of the parents said that their children had changed so much during their time in Israel that they had difficulty recognizing them.

Irina Aereo explained that at first glance she didn't think her daughter, Yanna, was actually in the studio.



Jewish Agency chairman Avraham Burg (seated, left) and a group of Ukrainian Jewish youth living in Israel enjoy the benefits of living in the age of teleconferencing as they link-up with their families thousands of kilometers away (right photo).



(Yisrael Hadari)

"I finally saw her, sitting toward the back," she said, laughing. "And I kept saying to myself: This beautiful woman is my daughter?"

For Natasha Sukolaska, the decision about whether to let her only son, Roman, participate in the program was one of the most difficult of her life. But, she said, it was never actually up to her.

"It was his decision," she said. "He really wanted to go, and I

couldn't say no, no matter how hard it was for me."

Not everyone in the room was a parent. Lianna Astrovka, who lost both her parents at a young age, came for the opportunity to see her sister Katya for the first time in six months.

"Everyone gets one chance in this life to make a change," she said quietly. "This was hers. My sister will probably stay in Israel, and I hope to join her soon."

The meeting was the culmination of an experimental program, designed by Jewish Agency chairman Avraham Burg, to connect Diaspora Jewry with Israel through interactive technology.

As part of the program, residents of the Ukrainian towns of Harkov and Dnepo were able to take classes, broadcast live from Israel's Open University, on the Holocaust, politics and government, the history of Poland's

Jewish community, and Halacha. Agency spokesman Eldad Adar explained that the program grew out of Burg's love of high tech: "His goal is to be able to reach every Jew, in every community in the world."

Adar added that the technology had passed its first major test.

"This is just the beginning," he said. "Now it's just a few classes, but soon it will be an entire, fully interactive university, capable of

reaching Harkov, Kiev, and even Chicago."

Despite its impressive-sounding name, however, the program's teleconferencing technology is far from the cutting edge. The students in Ukraine were able to see their Israeli professors, but their themselves could not be seen.

Additionally, whereas the Ukrainians could see their family members in Israel conversing through concealed microphones

and speakers, the Ukrainians themselves had to use something much simpler to communicate: the telephone.

But to those gathered in Dnepo, the technology was nothing short of magical. After a short address by Burg, the children streamed in behind him. He said light-heartedly, "Anyone who wants to cry can do so now."

And, in a small town, very far away, many people did.

New employer and employees' rights

In the National Labor Court before the President Judge Menahem Goldberg, Judges Yitzhak Eliasoff and Elishava Barak, employees' representative Yisrael Ziv and employers' representative Hillel Dudai, in the matter of the Israel General Labor Federation (Histadrut), appellant, versus TAAS-Israel Industries (formerly Israel Military Industries) and Ramata Ltd., respondents (Mem. [1295]-Resh, Dalet Bet Ayin Nun Dalet 1-4).

LAW REPORT
ASHER FELIX LANDAU

TAAS began taking steps to transfer one of its enterprises, called Ramata, to a new corporate owner. There was some contact between TAAS and the Histadrut, but no agreement was reached as to the employees' rights after the transfer. The Histadrut then moved the Tel Aviv District Labor Court to restrain the transfer until the employees' rights were resolved.

The Histadrut submitted that transferring the enterprise to a new employer without the employees' consent was equivalent to their dismissal, entitling them to severance pay from their former employer under section 11(a) of the Severance Pay Law of 1963. It provides that "Where an employee resigns by reason of an appreciable deterioration of his conditions of employment, or in view of other matters of labor relations affecting him and because of which he cannot be expected to continue in his employment, the resignation shall, for the purposes of this Law, be deemed to be dismissal."

The District Court rejected the Histadrut's contention. Section 11 would of course apply, it held, if the owner actually dismissed those employees who were not prepared to work under the new owner, or if they resigned in conditions covered by the section. The transfer of the enterprise to the new owner, however, did not in itself produce that result. The Histadrut then appealed to the National Court.

Judge Eliasoff, delivering the majority opinion of the National

Court, first pointed out that the term "privatization" had mistakenly appeared in the proceedings. That term related primarily to changes in the control of government companies under the Government Companies Law of 1975. It had no connection with this case, which related to the transfer of an enterprise from one owner to another.

He then analyzed in some detail several statutory provisions including sections 15 and 18 of the Collective Agreements Law of 1957 and 1(b) of the Severance Pay Law of 1963, and several proposed laws, precedents, and legal writings. He concluded there were no Israeli statutory provisions governing the transfer of a labor agreement from one employer to another (in the present context), where there was a change of ownership of the workplace, be it voluntary or, for example, as in the case of inheritance, involuntary.

He then cited the relevant legal provisions in England based on the directives of the European Union, in Italy, and in Germany. He also analyzed counsels' submissions, and cited many precedents emphasizing the importance of the "workplace" in resolving the present dispute.

The tendency of the law, he said, was to protect the employee and the continuation of his employment under the same conditions. This was also in the interests of the new employer, who would wish his enterprise to continue without interruption.

This result, he said, did not affect the employer's right to dismiss the employee, or the latter's right to resign. The court, he added, supported the concept that the employee's resignation, following a change of employer, could be regarded as "conditions" within the meaning of section 11(a) of the Severance Pay Law of 1963 (above).

It followed, he continued, that the

employee was not entitled to refuse to work for a new employer willing to employ him, only in order to force his former employer to dismiss him. In such circumstances he could resign, if he so wished, and could be entitled to compensation under section 11(a) if the circumstances justified this course.

It had been argued, he said, that the present case fell within the purview of the Transfer of Obligations Law of 1969. That statute, however, had no relevance to the question at issue, which was to be solved by the principles of Israeli labor law.

Counsel for the Histadrut, he continued, had asked the court to consider the effect of a collective agreement signed on December 8, 1993, between that body, TAAS, and Alta Electronic Industries Ltd. It was possible, he said, that that agreement was relevant. However, it was only signed after the District Court proceedings now under appeal, and this court, therefore, could not deal with it.

Judge Eliasoff proposed, therefore, that the appeal be dismissed.

THE DISSENTING member of the court (whose name, under Labor Court procedure, is not disclosed) recognized the right of the owner of a business to transfer it as he wished. However, he emphasized that labor was not a marketable commodity. The transfer of ownership was a drastic step for the employees. The owner, therefore, had to act in good faith, and the employees'

rights had to be fully protected.

The changed conditions of the employees had to be reasonable. The transferring owner did not have a free hand to do as he pleased. Both the employee and if there was a collective agreement - the representative organization, had to agree. If the owner one-sidedly changed the conditions unreasonably, he was to be regarded, under section 11(a) above, as responsible for terminating the labor agreement.

Citing precedents and legal writings he then dealt in some detail with the effect of transferring ownership in both personal and collective labor law.

He was of the opinion that the change of ownership in the present case damaged the employees' rights in that Ramata was a much smaller body than TAAS, and its employees' bargaining power was therefore much less than that of TAAS's employees.

The Histadrut, he held, was right in its stand that the employees were not obliged to accept the change against their will. If, therefore, TAAS to employ them, it could dismiss them and pay them severance pay. Otherwise, if they resigned, they were to be regarded as dismissed, receiving the same compensation.

In his view, therefore, the appeal should be allowed.

In the result, and by majority opinion, the appeal was dismissed.

David Yisraeli appeared for the Histadrut, and Haim Berenson and Gad Rubin appeared for TAAS and Ramata.

The judgment was given on April 22, 1996.

The quest for clean water ignites protests in Galilee

EARTHLY CONCERNS
D'VORA BEN SHAUL

ONE need not be particularly interested in environmental matters to know that the focal point for environmental concern and action has shifted to Galilee.

The newspapers are full of stories about demonstrations and court actions protesting the degradation of the environment by the introduction of heavy industry in Galilee.

When the outgoing government awarded an official permit to build an industrial center right on top of the extremely precious aquifer near Kabri, it was enough to shock even those who had not previously given any thought to environmental problems.

Water from the Kabri springs and from the Taninim-Kabri aquifer below is probably the purest water in Israel. Much of the water stored there is hundreds of thousands, perhaps even more than a million years old, clean and pure from a time when the earth was a much cleaner place.

This water has been renowned for centuries; the Romans used to send caravans specially from Caesarea to bring this spring water to the city for drinking. How then could this new move happen? Why on earth would anyone even consider putting an industrial complex right on top of it?

The answer is a bit of a mystery but it appears that certain political favors were being awarded when the permit was given. Now there

guidelines set for them by the Environment Ministry, guidelines they accepted before getting approval, then what can the citizenry expect from further development?

Not only does the glass factory spew out smoke and vast amounts of silica and other particulate matter, but it is half a kilometer from the national water reservoir and that can't be a good thing.

And then there is Klif, another small settlement in the Galilee hills that is soon to be engulfed by industrial development. Is it a wonder that people are protesting?

For anyone who thinks that this is the concern of a few die-hard "Luddites" let me correct them. The recent demonstrations had a wide diversity of protesters, including Arab and Jew, secular, religious and haredim. In Galilee this is everyone's concern.

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BUSINESS & FINANCE

Monday, July 15, 1996

8

Experts: Capital markets won't be cured by gov't reform plans

ANALYSTS and bankers agreed yesterday that the government's reported capital-market reform plans are ineffective. They said the changes, which interfere with the market's operation, will not transform a currently inadequate market infrastructure.

The government reportedly is considering a series of measures to stimulate the capital markets and stem the public's flight from an assortment of mutual funds, shares, and bonds.

The main proposal calls for a pension arrangement change - approved by the previous government - to force the pension funds to invest in the stock exchange. Other moves under consideration include lowering pension funds' investments in designated bonds carrying a fixed interest of 4.8%, reducing interest on the bonds to 4.2%, from 4.8%, and eventually

halting issuance of the bonds altogether.

According to one analyst, the stock market suffers from two major problems - an imbalance among institutions operating in it and competition from high-yield savings plans during a period of relatively high interest rates.

A senior official at one of the large banks called on the government "to totally refrain from doing anything in the stock market." He said the market is "very delicate" and any state intervention in trading, albeit to boost public confidence in it, is likely to be counter-productive.

The government must be aware that the capital market is suffering from a long-term trend which cannot be solved "with an aspirin," he said. He recommended the government reduce confusion, "especially uncertainty regarding

GALIT LIPKIS BECK

Netanyahu's policy." The banker predicted there would be a recession, and added that stock prices would continue to fall until investors sensed lucrative opportunities against a rebounding economy.

Other analysts agreed that government intervention is economically negative, but said they believed the market crisis calls for the state to correct its predecessors' mistakes.

"Surely, when the market is stable, it can operate without government intervention, but when the market falls, intervention can correct mistakes," general manager of Central Securities Corp. Moshe Terry said. He too, however, attributed the crisis primarily to "inappropriate infrastructure."

Commenting on the harm some

government policies have caused, Yossi Nitzani, general manager of Capital Markets Models, a firm which manages financial investments, said the government must be aware that the capital market and the economy's overall growth rate would suffer if high interest rates are maintained.

Moreover, the government's decision to "throw" the provident funds into the capital market while protecting other institutions, such as pension funds, with a provision of designated 5% fixed-interest bearing bonds, is harmful to the funds, which are suffering from large withdrawals and negative yields, he said.

Nitzani, a former head of the Treasury's State Companies Authority, said the government has to adopt an economic program which would include structural changes, as well as deal with a

wide range of issues including interest rates, provident funds, pension funds, and privatization.

The person [Benjamin Netanyahu] who waved the privatization flag so high and said he would privatize 50 companies, should know that without a developed capital market, chances for a successful launch of such a scheme are low, unless one decides to ignore the local market and only seek foreign investors."

Nitzani rejected claims that the public's withdrawals from the funds reflects a lack of confidence in fund managers. In all sectors, he said, there are incompetent fund managers, and in this case, institutional investors determine market trends not only here but throughout the West. He would not say, however, whether he thought the market may be bottoming out now.

BUSINESS BRIEFS

EU faces calls to impose sanctions on Burma: The European Union will come under pressure today to impose sanctions on Burma for suppressing its democracy movement and the death in prison of an honorary European consul.

Denmark is expected to lead calls for action against Rangoon at a meeting of foreign ministers from the 15-nation bloc in Brussels.

But diplomats said other EU states, notably Britain's former colonial ruler Britain, were reluctant to act without broad international support and the ministers were most likely to order their staff to study the options open to them. *Reuter*

British nuclear energy sale disappoints government: The government learned yesterday it will get £1.408 billion from a sell-off of most of Britain's nuclear power plants - barely half what it expected when it announced privatization plans in March.

BZW, the stockbrokers acting for the government, said individual Britons who applied for shares will pay a total of 198 pence a share, and institutional investors 203 pence, both in two stages. *Reuter*

Dimona Textile workers protest shutdown

GALIT LIPKIS BECK

MORE than 230 Dimona Textile workers demonstrated at the company's factory yesterday after management closed down production lines Thursday.

A joint committee made up of Treasury and Ministry of Industry and Trade representatives will meet this week to decide on the future of the towel manufacturer and its 280 workers. The committee is headed by Accountant-General Shai Talmon, who has temporarily instructed the Investment Center to stop transferring money to the financially-strapped firm.

Dimona Textile owners claim the company requires an additional NIS 3 million to put it back on the right track, while accountant-general office officials claim Dimona needs at least twice the amount.

Workers' committee head Shimoo Peretz said the employees will not leave the plant until they receive June salaries and until a decision is reached regarding the company's future.

"If necessary, we will organize demonstrations with all the workers' committees in the region. Over the last four months, management has closed and re-opened production lines and now they are using us as hostages to get money from the government. We will not settle for this," Peretz said.

Dimona general manager Avi

Yitzhak said management is trying very hard to raise the necessary funds to pay salaries, but no money will be left to purchase raw materials to continue production.

Yitzhak said the firm has a successful recovery program that includes efficiency measures such as the laying off of senior managers.

Dimona owners businessman Oded Gold and Shlomo Halanish claim the investment center has renewed on its decision to transfer money leaving them with no alternative but to close down operations.

The firm has accumulated losses of \$17 million over the last two decades primarily due to the sector's exposure to imports. The factory, which is one of the world's four leading manufacturers of printed towels, exports most of its production to leading chains like England's Marks and Spencers and France's La Fayette.

Gold and Halanish purchased the firm in July 1994 from the Industrial Development Bank, after which the Investment Center approved a \$10m. investment program.

At the beginning of 1996, the center okayed an additional \$5m. grant to help the new owners continue the recovery program. According to the center, most of the money has already been transferred to the company.

EFI's shares suffer from lower rating

JENNIFER FRIEDLIN

BETTER-THAN-EXPECTED second-quarter results did little to calm Electronics for Imaging investors' nerves as company shares continued to fall on Friday in Nasdaq trading following a lowering of its rating from "buy" to "hold" by Prudential Securities.

EFI's shares fell from 70 1/2 to a low of 54 1/2 before closing on Thursday at 65, only to continue losing altitude the following day when it closed the week at a three-month low of 57 1/2.

President and CEO Dan Avida said yesterday he was satisfied with the company's performance and growth and added that analysts, particularly Robertson, Stephens & Co. at the outset of 1996, had "mistrusted EFI." It would be best if EFI would tend to their own business and analysts to theirs." EFI's hardware and soft-

ware technologies transform digital color copiers into networked colored printers, enabling high-quality color printing in short production runs.

Analyst Alex Henderson lowered the California-based company's rating due to possible long-term competition, including two unidentifiable firms that currently add EFI's technology to their products, Bloomberg reported.

Henderson's report put a damper on the company's second-quarter results, which showed a 68 percent increase in net income to \$13.9 million, or \$0.51 per share, up from \$8.28m., or \$0.31 per share, in the same period last year.

Net income for the first half year increased 71% to \$26.5m., or \$0.97 per share, compared with \$15.5m., or \$0.59 per share, for the same period in 1995.



Am Yafeh, Am Ehad chairman Naomi Shadmi (r) and judging committee chairman Hanna Avnor present Postal Authority director-general Ran Levin with the organization's prize for courteous service in Jerusalem yesterday. The voluntary organization conducted a survey over the past four months and found that Postal Authority personnel excelled in their courtesy, presentability, and service. (David Sam)

Greeks threaten EU Med plan over Turkey

BRUSSELS (Reuter) - Ambitious plans for a Mediterranean free-trade zone are in jeopardy unless Greece - against expectations - swallows its objections to Turkey's involvement and allows European Union measures to go through.

EU foreign ministers meet today to discuss the so-called "MEDA agreement", but few diplomats expect a breakthrough in the five-

year 3.4 billion Ecu (\$3.7b.) plan.

Under budget rules introduced to eliminate EU bureaucracy, this year's part of the funding will be forfeited to other projects unless it is allocated by September.

But the European Commission - the EU's executive - cannot move on MEDA until Greece ratifies the regulation that eventually will allow the funding to go through.

In exchange, foreign ministers of the other 14 nations will limit their objections to Greece blocking separate, 375m. Ecu (\$450m.) direct funding designed to help Turkey adapt to the a newly opened customs union with the EU.

Athens, which has locked horns with longtime rival Turkey over ownership of Aegean sea islands, argues that the EU should not reward Turkey with any funding programs until it behaves in a "neighborly" fashion.

Last week saw an increase in diplomatic activity which some diplomats say could pressure Greece into bending.

On Friday, Irish Foreign Minister Dick Spring, representing the EU presidency, met Greek Foreign Minister Theodoros Pangalos in Athens for talks.

Pangalos said later Greece's position was unchanged, but diplomatic sources note that announcing any wavering on Turkish matters at home would be suicidal.

"The usual way is to announce it away from Athens, away from the limelight," one said.

The deal many EU and diplomatic officials are hoping for is that Greece allows the MEDA regulation to go through.

"Water is the lifeblood of agriculture and farmers. It is as essential as the blood in our bodies and we don't intend to give up on this issue," said Reisman.

"Water prices [for farmers] are already among the highest in the world and don't allow us to compete equally even on the local market, against imports."

"In fact, the proposed new charges would effectively destroy what is left of the agriculture industry in the country. This in turn would mean that we would be dependent on countries in Europe

Farmers group to fight water price hike

DAVID RUDGE

AGRICULTURE Minister Rafael Eitan yesterday criticized the Treasury's proposal to increase the price of water for farm use.

"Reasonable water prices for farmers is a fundamental of the ministry's policies," said Eitan.

Farmers vowed yesterday to stage a bitter fight - including halting supplies of fruit and vegetables - against proposed government cutbacks and especially the intention to raise water fees.

Shlomo Reisman, director-general of the Farmers Federation, said the plan to raise the price of fresh and treated sewage water for farming by an average of 13.3 percent would deal a fatal blow to the country's agriculture industry.

"Water is the lifeblood of agriculture and farmers. It is as essential as the blood in our bodies and we don't intend to give up on this issue," said Reisman.

"Water prices [for farmers] are already among the highest in the world and don't allow us to compete equally even on the local market, against imports."

"In fact, the proposed new charges would effectively destroy what is left of the agriculture industry in the country. This in turn would mean that we would be dependent on countries in Europe

and Turkey, Greece and so forth - and their goodwill, for supplies of fresh produce."

The proposed increases were approved by the government last week and, according to the Water Commissioner's office, would mean rises of between 7-15 agorot per cubic meter for the supply of fresh water.

The price of treated sewage water from the Gush Dan regional treatment plant - the bulk of which is piped to the Negev for irrigation - would rise by between 7-9 agorot per cubic meter.

The proposed increases, including a planned 15% rise in the price of fresh water supplied to industry, are aimed at reducing the government subsidy of water by around NIS 60 million. This year the subsidy is NIS 450m. for this year.

"Around 40,000 families earn their livelihoods directly from farming and a further 150,000 indirectly, including truck drivers, packers, administrative staff, shops, businesses and canning factories, and so forth," said Reisman.

"We will start our campaign by meeting with the finance minister and the prime minister and by persuasion. I'm happy to say that the agriculture minister is already with us on this."

Labor Ministry: Increase in layoffs points to slowdown

DAVID HARRIS

TWENTY-ONE thousand people were laid off in May and June, according to Employment Service statistics published yesterday.

Among the reasons for this was a 10,000 increase in the number of foreign workers and another 4,000 workers coming in from the territories, the Ministry of Labor and Social Affairs reported. The June layoffs, totaling some 7,700, included a large number of non-tenured teachers, whose contracts are terminated at the end of the school year.

"This data adds strength to the published evidence of the start of a slowdown in the economy," said Labor and Social Affairs Minister Eli Yishai.

Those who make decisions on the economy must take immediate steps to encourage employment, said Yishai. He called for lowering interest rates, and the speeding up of job-creating government projects.

Yishai also stressed the need to encourage investment in development towns, where unemployment is highest. However, this is one of the areas where the Finance Ministry intends to make cuts. Currently, investors in priority areas can have the government cover up to 34 percent of their investments, but under the new budget proposals, that figure will be lowered to 20%.

Meanwhile, during a meeting with the Na'amat secretary-general Ofra Friedman, Yishai said the proposed cuts in child allowances will not harm low-income families. The progressive nature of the cuts will only affect those earning at least NIS 4,500 - in other words, more than the average wage, he said.

He added that this particular measure will initially be effective for only one year, at which point it will be re-examined.

Yishai said management is trying very hard to raise the necessary funds to pay salaries, but no money will be left to purchase raw materials to continue production.

Yitzhak said the firm has a successful recovery program that includes efficiency measures such as the laying off of senior managers.

Dimona owners businessman Oded Gold and Shlomo Halanish claim the investment center has renewed on its decision to transfer money leaving them with no alternative but to close down operations.

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Gold and Halanish purchased the firm in July 1994 from the Industrial Development Bank, after which the Investment Center approved a \$10m. investment program.

At the beginning of 1996, the center okayed an additional \$5m. grant to help the new owners continue the recovery program. According to the center, most of the money has already been transferred to the company.

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Pound sterling	2.0506	2.1142	Buy	2.0879
French franc	4.8121	4.8914	Buy	4.8531
Japanese yen (100)	0.6149	0.6246	Buy	0.6200
Swiss franc	2.8709	2.9173	Buy	2.898
Spanish peseta (100)	1.8833	1.8832	Buy	1.8837
Italian lire (1000)	2.5199	2.5206	Buy	2.5192
Swedish krona	0.4721	0.4758	Buy	0.4720
Norwegian krona	0.4888	0.4947	Buy	0.4900
Danish krone	0.8400	0.8488	Buy	0.8450
Finnish mark	0.8796	0.8906	Buy	0.8847
Canadian dollar	2.3048	2.3420	Buy	2.3233
Australian dollar	2.5084	2.5489	Buy	2.5303
S. African rand	0.7232	0.7349	Buy	0.7290
Belgian franc (10)	1.0097	1.0280	Buy	1.0182
Austrian schilling (10)	2.3854	2.4041	Buy	2.3912
Italian lire (1000)	2.0858	2.0982	Buy	2.0883
Jordanian dinar	4.3900	4.7000	Buy	4.4837
Egyptian pound	0.9000	0.9800	Buy	1.0158
EU	3.9400	4.0336	Buy	3.9721
Irish punt	5.0427	5.1241	Buy	5.0820
Spanish peseta (100)	2.4738	2.5137	Buy	2.4950

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דפוס 1352

Villeneuve wins British GP Smadja determined East beats West in MLS All-Star game

SILVERSTONE, England (AP) - Jacques Villeneuve in a Williams-Renault won yesterday's British Grand Prix - his second Formula 1 victory this season - as race favorite Damon Hill and two-time defending world champion Michael Schumacher failed to finish.

hydraulic pressure. His Ferrari teammate Eddie Irvine retired on the sixth with engine problems. The race - another disaster for once-prod Ferrari - is the fourth in the last five that Schumacher has failed to finish. He broke down on the warm-up lap two weeks ago in the French Grand Prix after wimpering the pole.

the grid and - like Hill - driving the quickest car this year on the circuit, jumped into the lead with a great start. Lap by lap in the early stages he pulled away from second-place Jean Alesi and Hakkinen in third - and then gave up the lead briefly when he pined on the 23rd lap - his first of two stops.

Smadja determined to go to Games despite injury

DESPITE his serious knee injury, judoka Oren Smadja intends to compete on July 23 in the Olympic Games. The silver medalist from Barcelona and one of the main Israeli hopes for Atlanta, tore a ligament in his left leg during his penultimate training session last Thursday.

East beats West in MLS All-Star game

EAST RUTHERFORD, New Jersey (AP) - Steve Pittman scored off a pass from Carlos Valderrama with 2:09 remaining yesterday, giving the East a 3-2 win over the West in Major League Soccer's first All-Star game.

Dozens killed in Libyan soccer riot

CAIRO (AP) - A riot at a soccer match involving a team controlled by a son of Libyan leader Moammar Gadhafi killed or injured up to 50 people, diplomats and opposition figures said yesterday.

Uzbekistan's Abdoujaparov breaks away to Tour victory

TULLE, France (Reuter) - Uzbekistan's Djamolidine Abdoujaparov won yesterday's 14th stage of the Tour de France in unusual fashion when he escaped the group of front-runners in the final climb of the day's 186.5-km ride from Besse.

SPORTS BRIEFS

Howard agrees to \$98m. deal with Heat. Washington Bullets forward Jwan Howard has agreed to a seven-year, \$98 million contract with the Miami Heat, two TV networks announced Saturday night.

BASEBALL SCOREBOARD

Table with columns for National League and American League, East and West Divisions, listing teams and scores.

Haifa's Revivo, Berkowitz could be moving abroad

WITH only two days to go before they get their UEFA Cup challenge on the road, Maccabi Haifa is in a serious quandary regarding its two major star players, Haim Revivo and Eyal Berkowitz.

YESTERDAY'S NL RESULTS: Atlanta 15, Florida 10. Montreal 5, Philadelphia 2. Houston at New York.

YESTERDAY'S AL RESULTS: Boston 4, Detroit 4. New York 4, Baltimore 1. Toronto at Milwaukee.

CLASSIFIEDS

Large classifieds section containing various real estate listings, job openings, and services. Includes sub-sections like 'RATES', 'DWELLINGS', 'RENTALS', 'SITUATIONS VACANT', 'VEHICLES', and 'OFFICE STAFF'.

Real Estate & Investments in Israel 1996. The Jerusalem Post will publish special supplements, devoted to real estate and investments in Israel.

OC Manpower: Budget cuts foster mediocrity in IDF

ARIEH O'SULLIVAN

CONTINUED erosion of the salary and benefits of the regular army would result in an exodus of top quality officers, and their places would be taken by mediocre people. OC Manpower Branch Maj.-Gen. Gideon Sheffer said yesterday.

"I don't suggest that we aspire to be a society whose army is made up of those who are less than good," he said. "We are making a mediocre army, and we don't want that, and that's not what the country needs."

Speaking to military reporters, Sheffer hinted that the final word has yet to be said on the planned cut of NIS 825 million from the defense budget. This represents less than a third of a percent of the total 1996 defense budget of NIS 27 billion.

The army has been on a public relations offensive ever since the cabinet unilaterally approved the slash in the defense budget.

Sheffer, armed with computerized overhead display charts, outlined how the army had been reducing itself and cutting back benefits steadily, according to an organized plan to coax promising junior officers to stay in the military.

"More and more, wages are taking a bite out of the budget, and the IDF knows this and wants to reduce itself," Sheffer said, adding that the forced cuts, done without consulting the IDF, would disrupt the plan. He said the IDF had reduced its professional force by nine percent in the past five years, while gradually raising the average age of retirement to 43.

The planned budget cuts have so far not touched salaries, but focused on reducing retirement benefits. Sheffer said so far some 200 career officers have applied for early retirement, and many have asked that their pensions be granted them now as a lump-sum grant, fearing they may lose

money if they wait until next year. "When you are harming the [financial] security an officer feels he is getting during his service, while they see the better conditions beckoning them from the civilian side, then they will prefer leaving us. That is one of our main concerns," Sheffer said.

"We need them, and the best won't stay with us if they feel they are not needed anymore. We want them to feel they are important to us and some of the answer to this is money. We are not ashamed to say it."

Sheffer maintained that there is a popular myth that the professional army is overpaid. He provided figures showing that 92 percent of standing army officers are majors or below, and their average monthly wage is NIS 8,000.

About two dozen wives of career military men protested outside Tel Aviv's Beit Sokolow during the briefing. "People think we're fighting for the cherry on the whipped cream," said Dalia Schory, whose husband is a colonel. "We agree that the budget has to be cut, but let the IDF decide where to do it."

David Rudge adds: One of the main concerns of the officers and sailors Defense Minister Yitzhak Mordechai met with during his visit to the Haifa navy base yesterday related to how the budget cuts would effect them.

Mordechai said the proposed cuts would not have an immediate effect on those leaving the army now, but on those retiring in the future. He said the IDF is looking at ways to make cuts without seriously harming the overall level of security.

"We are examining the alternatives to see which is best, or alternately, the government will have to decide from where to get more money to give the same level of security as today," he said.

Fight brewing to keep rights for demobilized soldiers

ARIEH O'SULLIVAN and DAVID HARRIS

PLANS to modify or cancel the two-year-old Demobilized Soldiers Law are meeting stiff resistance from recently released soldiers, former generals, and politicians, who warn any reduction in the grants would be "miserable, unfair, and wrong."

But the Finance Ministry quickly issued a statement backing the proposed modification, saying it would be set up on a differential basis, giving preference to combat veterans and those from poor families.

Ministry officials issued a communique to counter what it called the "distorting" of the facts by the media.

"This is a joke," said Maj.-Gen. (res.) Moshe Nativ, a former OC Manpower Branch, now chairman of Zevet, the organization for IDF pensioners. "A soldier is not responsible for ending up in the unit he serves in."

"The ideology of the law is that a soldier is like a new immigrant. When he gets out of the army, he finds his trousers don't fit, that he needs new shoes and just about everything to set him up in civilian life. This money was aimed at helping him improve himself."

He suggested reducing the grants given to demobilized soldiers could encourage emigration and reduce motivation. "The message here is that 'the nigger did his job; the nigger can now go home,'" Nativ said.

He blasted the Ministry of Defense for suggesting the slash in its budget come at the expense of demobilized soldiers.

Labor Party Knesset faction head Ra'anan Cohen said the move is apolitical and called for the responsibility for demobilized soldiers to be handed over to the Minister Ariel Sharon's National Infrastructure Ministry.

"I'm sure that Ariel Sharon will protect the demobilized soldiers better than the Ministry of Defense," Cohen said. "Harming the law would be miserable, unfair, and wrong."

Cohen also drew a link between the government stipends given to yeshiva students and the funds cut from demobilized soldiers, but he did not provide any figures to back this up.

"I suggest you look into how much yeshiva students get for living expenses, and then see how

much the demobilized soldiers, who gave the best years of their lives, get and you will see how this state renews its budget at the public's expense," Cohen said.

Among the recommended changes, which have yet to be discussed by the Knesset, are proposals to introduce tighter controls on the way grants are spent. Before the law was introduced in 1994, men received a one-off NIS 2,850 grant, and women NIS 450.

The law brought on stream a new method of payment. As of August, a soldier leaving the armed forces is entitled to a NIS 2,750 grant, plus a deposit fund of NIS 10,700. The fund has to be used for the purchase or rental of a home, study, setting up a business, or professional training.

Currently soldiers are spending up to 70 percent of their allowances on apartment rental, but the government is concerned at the ease with which soldiers can falsify documents to receive the cash payments.

The Finance Ministry is therefore proposing the abolition of the fund and increasing the grant to NIS 6,000 for combat troops and NIS 4,000 for those in support units. No restrictions will be placed on how this money is spent.

The government is also calling for the increase by NIS 22 million, to NIS 95m., of the fund which makes extra payments to soldiers from low-income families.

If approved, all the changes will affect those who entered the service since January 1996.

"The money will help me adjust to becoming a civilian again after three years of serving the country," said Eran Hermoni, 16, a high school student from Givat Shmuel. "I'm not looking for a prize or anything special, but this will help me get the most elementary things needed to start my new life on the right foot. I've got two older brothers in college and my parents are poor."

Eyal Hammer, 22, said he used the money to help him go to university after serving three years in the Givati Brigade. "If they cut this benefit, guys like us would likely opt for non-combat roles so we could work on the side, who knows?"



Knesset Speaker Dan Tichon tries out an Uzi as he joins members of the Knesset Guard on the firing range yesterday. He also made his first official tour, starting with a visit to Kiryat Shmona and Metulla. Tichon said he intentionally toured the area when the border was calm "to see the day-to-day life, the end of the school year, not the Katyushas."

(Text: Lisa Collins; photo: Isaac Hamra)

Shahak: Hizbullah breaching Grapes of Wrath understandings

DAVID RUDGE

HIZBULLAH is continuing to breach the understandings reached at the end of Operation Grapes of Wrath, Chief of General Staff Lt.-Gen. Amnon Lipkin-Shahak said yesterday.

"Since Operation Grapes of Wrath there have been breaches by Hizbullah of what we see as part of the understandings of the operation," he said during a visit to Haifa's navy base.

He accompanied Defense Minister Yitzhak Mordechai and sailed with him aboard the navy's most recent acquisition, a Saar S-class missile boat. They later met with officers and sailors, and Shahak was asked about the current situation in Lebanon.

Shahak confirmed that the understandings had left open the question of whether

Hizbullah would continue its attacks against the IDF and SLA.

"The possibility was left at the end of Operation Grapes of Wrath of a continuation of the fighting in Lebanon against IDF troops," he said. "We see Hizbullah continuing to fight against IDF and SLA soldiers. We also see Hizbullah breaching some of the understandings that were reached, because in our opinion it is using built-up areas in south Lebanon to establish and prepare itself, and some of the attacks are launched from there."

Shahak said the IDF would study the agreement on the establishment of a five-nation

committee to monitor the understandings reached over the weekend.

"We will see what the conclusion that was reached says, and we will also see how to deal with those breaches since Operation Grapes of Wrath," he said.

The monitoring committee is slated to meet at UNIFIL's headquarters in Nakoura later this week, although the arrangements have not yet been made. The base is inside the security zone and it is not clear how Lebanese and Syrian officials would get there, since they would have to pass through SLA checkpoints if they travel by road.

The alternative would be to fly them directly to Nakoura in UN helicopters.

Mordechai calls on Arab states to cease 'stormy' statements

DAVID RUDGE

DEFENSE Minister Yitzhak Mordechai yesterday called on Arab states and the Palestinians to cease unnecessary and provocative statements, pledging the government would continue with the peace process.

Mordechai spoke at an impromptu press conference during a visit to Haifa's navy base. He was accompanied by Chief of Staff Lt.-Gen. Amnon Lipkin Shahak.

"I would suggest to all our neighboring countries, Syria, the Palestinians, and other countries to look and say to themselves and us that we will continue to sit around the negotiating table and together search for ways to [bring] calm ... in maritime language; that the sea will be calm and not stormy. There's no reason for these stormy words," said Mordechai.

28 career officers petition court against benefit cuts

EVELYN GORDON

TWENTY-EIGHT army officers petitioned the High Court of Justice yesterday against the planned cuts in their benefits included in the government's proposed 1997 budget. Three other officers had filed a similar petition last week.

The petitioners argued that the proposed cuts are illegal, because they constitute a retroactive worsening of their terms of employment. All of them agreed to continue in the army, rather than switching to civilian careers, on the understanding they would receive certain benefits upon retirement, the petition said. Had they known they would not receive these benefits, it continued, they might have chosen differently.

The petition charged that the plan - which includes items such as shortening the paid vacation officers receive upon retiring,

reducing the amount of their pension they may take as a lump-sum payment, and requiring them to accept payment for unused vacation days, rather than adding these days on to their retirement leave - will cost officers tens of thousands of shekels, if not more.

While the government claims it is only trying to equalize the terms of employment in the army with those in Civil Service jobs, the petition continued, this is an unfair comparison, because army officers do not enjoy many of the benefits of the Civil Service, such as regular hours or paid overtime.

Furthermore, the petition said, since army officers are not allowed to demonstrate, strike, or use ordinary collective bargaining techniques, they have no recourse other than the High Court.

Man gets life for murdering landlord

BEERSHEBA District Court yesterday sentenced Alexander Nepadov, 35, to life imprisonment for the murder of his landlord, David Belayish, a year ago. Nepadov was also found guilty of wounding Belayish's son, Aharon, who tried to save his father. Nepadov robbed the landlord at knife-point in his Dimona apartment, then stabbed him to death and tried to get away in the Belayish family's car.

Report: Abu Nidal made millions in coupon scam

MARILYN HENRY NEW YORK

WHILE most Americans use food coupons to save a few cents on a box of cereal or a can of coffee, terrorists such as Abu Nidal have raised as much as \$100 million a year in a coupon scam, according to a story in yesterday's New York Post.

American marketers routinely print coupons in newspapers to entice consumers to buy their products. It adds up to a \$5 billion-a-year business.

The fraud works this way: Newspapers are purchased by the pound from paper recyclers. Coupons are clipped, then turned over to sbady supermarkets.

Acting as middlemen for a percentage of the take, the markets redeem the coupons as if the actual sales had taken place.

In effect, a postal inspector told the New York paper, corporate America is underwriting terrorism.

It was not clear how the fraud was detected, although the newspaper said investigators found grocery stores that redeemed coupons for more products than their sales justified.

Among others linked to the fraud is one of the men convicted in the 1993 World Trade Center bombing.

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WEATHER

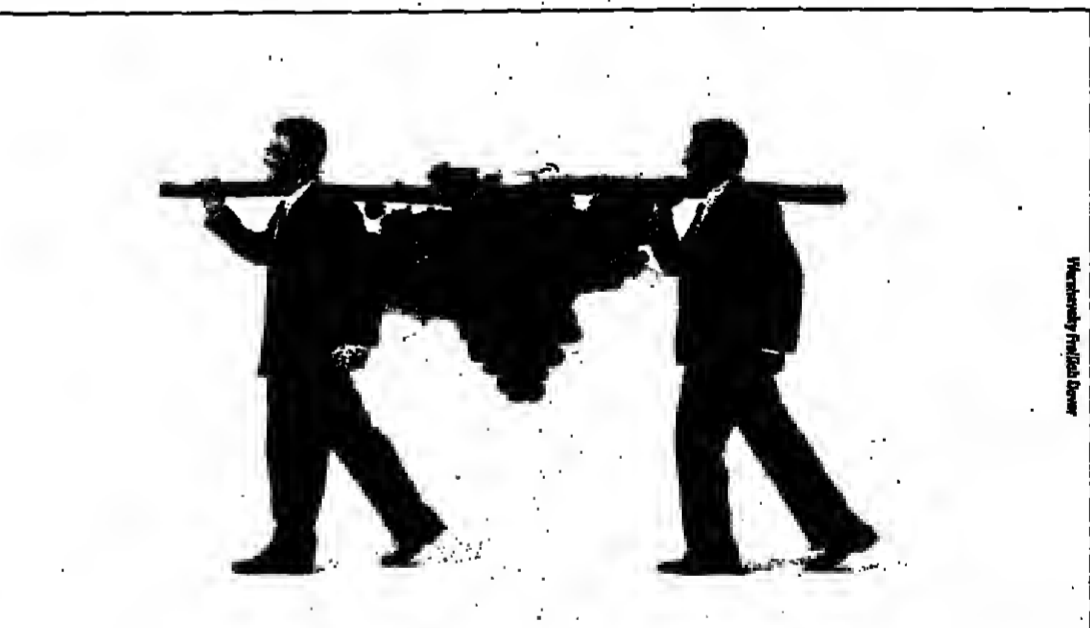
Haifa 22-30
Tiberias 22-30
Afula 21-32
Samarita 17-28
Jerusalem 17-28
Beersheba 21-32
Dead Sea 28-38
Eilat 28-40

Forecast: Partly cloudy to clear.

AROUND THE WORLD

	LOW	HIGH	C	F	P	
Amsterdam	14	21	21	70		cloudy
Athens	22	23	23	80		partly
Berlin	24	25	25	80		partly
Bombay	15	28	28	82		partly
Buenos Aires	24	25	25	80		clear
Calcutta	21	27	27	80		partly
Chicago	17	28	28	80		partly
Frankfurt	15	28	28	80		partly
Hong Kong	27	31	31	88		clear
London	15	22	22	70		clear
Los Angeles	17	28	28	80		partly
Madrid	20	28	28	80		partly
Moscow	17	28	28	80		partly
Mumbai	15	28	28	80		partly
New York	16	27	27	80		partly
Paris	13	27	27	80		partly
Rome	17	28	28	80		partly
Sao Francisco	13	28	28	80		partly
Singapore	25	31	31	80		partly
Sydney	15	27	27	80		partly
Tel Aviv	24	25	25	80		partly
Vienna	16	27	27	80		partly
Washington	15	27	27	80		partly
Zurich	15	27	27	80		clear

Winning cards
In yesterday's Mifal Hapayis daily Chance card draw, the lucky cards were the jack of spades, seven of hearts, nine of diamonds, and nine of clubs.



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